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EFFECTIVE USE OF FIXED ASSETS, CAPITAL INVESTMENTS

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 11, Nov 81 pp 73-78

[Article by V. Belokonenko, candidate of economic sciences: "Effective Utilization of Fixed Capital and Capital Investments"]

[Text] Capital investments made in the development of the national economy are, as we know, expenditures on the creation of new capacities and fixed capital and also on the replacement and technical improvement of existing ones. The volumes of capital investments, their distribution throughout the territory of the country and individual regions (territorial structure), their distribution among the branches of the national economy (branch structure), and also their technological (ratio between expenditures on equipment and the performance of construction and installation work) and reproduction (ratio between investments in new construction, expansion and reconstruction, on the one hand, and technical rearmament of existing enterprises) structures determine to a decisive degree the effectiveness of public production and the rates and proportions of development of the economy.

Under the Eleventh Five-Year Plan it is intended to increase the capital investments in the development of the country's national economy from all sources of financing by 12-15 percent. Here one must take into account that the development of public production is presently characterized by an essential change in economic conditions, the most important of which are the creation of a powerful production potential, the existence of a shortage of labor force, and the necessity of economizing on all kinds of resources, including capital investments.

The course toward intensifying production and increasing its efficiency is one of the major issues of the party's economic strategy as developed by the 25th and 26th CPSU congresses. The decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979, "On Improving Planning and Increasing the Influence of the Economic Mechanism on Increasing the Efficiency of Production and Improving the Quality of Work," was directed toward carrying out the instructions of the party and government regarding intensification of production.

One of the main conditions for intensification of production is increased effectiveness of capital investments and improved utilization of the immense production potential that has already been accumulated. Further improvement of capital construction, improvement of its organization, planning and economic stimulation occupy a central place in increasing the effectiveness of capital investments.



The main tasks of capital construction are concentration of capital investments and material resources on the most important construction projects, limitation of the number of facilities that are being constructed at the same time, reduction of time periods for construction, uniform and comprehensive startup of production capacities and facilities of the nonindustrial sphere, and the reduction of the volume of incomplete construction and the supply of uninstalled equipment to the normatives in the next few years.

Until recently the time periods for construction were frequently twice the normative. One of the reasons for this was the dispersion of capital investments among numerous construction projects and facilities. In recent years the republic has done and continues to do a significant amount of work for concentration of capital investments and reduction of the quantity of facilities that are being constructed at the same time. During the course of 1978-1980 the overall number of construction projects for production purposes in the republic was reduced by one-fourth, and the number of newly started construction projects -- by 42 percent. As a result, the volume of capital investments per construction project increased by 10.5 percent. Under the Eleventh Five-Year Plan it is intended to reduce even more the number of facilities being constructed at the same time in all the ministries and departments of the Ukrainian SSR with the exception of the ministries of light, food and the meat and dairy industry because of the considerable growth of capital investments in the development of these branches. It is also intended to reduce the volume of incomplete construction in the republic to the normative level.

Ministries and departments as well as individual enterprises are faced with the task of using capital investments primarily for reconstruction and technical renovation of production facilities and the completion of previously started construction projects. The construction of new enterprises and the expansion of existing ones should be started if the demand of the national economy for this kind of product cannot be satisfied through improving the utilization of production capacities, taking into account their reconstruction and technical rearmament.

Under the current five-year plan the party and government have set the task of improving planning estimates and carrying out construction according to more progressive and economical designs, which should envision increased effectiveness of capital investments on the basis of the utilization of the achievements of scientific and technical progress and advanced practice as well as economizing on material and labor resources. Special attention should be devoted to improving the quality of planning, architectural and construction decisions, making buildings, structures and residential buildings less expensive, reducing proportional capital investments, and also efficiently utilizing land for construction. To this end it is intended to increase the responsibility of the experts of the ministries, departments and agencies as well as planning, design and scientific research organizations for the ensuring a high technical and economic level of designs and correct determination of the estimated cost of construction.

The methods of working under contract and with internal resources are being perfected, progressive forms of organization of construction are being developed, and measures are being implemented to significantly reduce expenditures of manual labor and equip construction organizations with highly productive machines, mechanisms and automotive transportation, including small tonnage transportation

and measures are also being taken for fuller utilization of them through increasing the coefficient of shift work. We are improving the construction organizations' supply of means of minor mechanization, mechanized, electric and manual instruments, and also mobile living facilities. The level of industrialization of construction and degree of plant readiness of designs and parts are continually improving, and the application of effective new designs and local construction materials is expanding. The capacities of territorial construction and installation organizations are increasing in regions where construction is concentrated and a network of mobile contracting organizations and mobile supply bases is developing. Housing and plant construction and also rural construction combines are being technically rearmed. The proportion of large panel and block residential buildings is increasing in the overall volume of housing construction.

An analysis of the state of affairs in capital construction during the past five years shows that we have still not managed to overcome the tendency whereby construction organizations meet gross and value indicators of the plan first. Previously the basis of the material motivation of the construction workers was the assimilation of the funds that were allotted and not the final results of their work -- the startup of production capacities and fixed capital. Thus the evaluation of the activity of construction organizations, which was oriented toward fulfilling the overall volume of construction and installation work, led to prolonging the time periods for construction, dispersing forces and funds among numerous projects, increasing the amount of incomplete construction and estimated costs, doing work with a considerable amount of costly designs, and incomplete construction and startup of objects were interconnected by the production process. This situation, when the essence of the fulfillment of the plan amounted to the gross volume of construction and installation work, created certain difficulties in managing construction and did not contribute to strengthening planning discipline and increasing the responsibility at all levels of administration for the final results of construction.

In keeping with the decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing the Effectiveness of Production and Improving the Quality of Work," beginning with the Eleventh Five-Year Plan, a principally new policy is being introduced for evaluating the activity of ministries and departments that do construction and installation work and also organizations under their jurisdiction. In the five-plans, with a breakdown for the various years, they will be given the following indicators for construction: the startup of production capacities, including increased capacities as a result of technical rearmament and reconstruction of existing enterprises. The indicators for the startup of production capacities and other objects are also established for organizations that install the basic technological and power equipment under contracts; the overall volume of commercial construction output produced with internal resources and distributed among the clients: the value of construction and installation work on enterprises released to the client, sections, startup complexes, and other objects that are prepared for producing products or rendering services. Correspondingly, the ministries and departments that are clients establish assignments for the volume of commercial construction output for associations, enterprises and organizations under their jurisdiction; increased labor productivity; a limit on the number of workers and employees; the overall wage fund;

and for certain organizations -- reduced cost of construction and installation work; assignments for introducing new technical equipment; the volume of deliveries of machines, materials, mechanisms and other material and technical resources necessary for fulfilling the plan.

In order to determine the need for material and technical resources, wage fund, circulating capital and credit, an overall volume of contracting work is established for construction organizations with a distribution among clients and work performed through internal resources. The five-year plans for construction production must be stable and also balanced with labor, material-technical and financial resources as well as with capacities of construction and installation organizations.

The annual plans establish the same indicators and concretize the assignments set by the five-year plans for the corresponding year.

In keeping with the new planning policy, capital investments in the development of the branches of material production are to be assigned to the ministries and departments for the planned increase in the volume of products and services. Moreover, priority allotment of funds goes for technical rearmament and reconstruction of existing capacities. Capital investments for new construction and expansion of enterprises are allotted only if the output of a given product necessary for the national economy cannot be provided at existing enterprises, taking into account reconstruction and technical renovation. In recent years there has been a marked reduction of the proportion of new construction in the overall volume of capital investments in the republic, and there has been a corresponding increase in the proportion of reconstruction and technical rearmament of existing enterprises. This while in 1980 as compared to 1976 the overall volume of capital investments increased by 5.3 percent, the volume of work for reconstruction and technical rearmament increased by 37.6 percent.

No less important for increasing the effectiveness of capital investments is improvement of economic stimulation for capital construction.

In order to create the necessary conditions for expanding the work for reconstruction and technical rearmament of existing production, we are introducing for workers of construction and installation and design organizations and also for client enterprises a system of bonuses for the performance of work for technical rearmament of existing enterprises in amounts and under a policy which have been established for awarding bonuses to workers for carrying out the reconstruction of enterprises. Thus the funds for the collective's bonuses for technical rearmament and reconstruction should be special purpose funds which cannot be used for other purposes. Bonus money is also included in estimates for drawing up designs for reconstruction and technical rearmament of production. Moreover, a policy will be implemented whereby construction and installation organizations in whose plans more than half of the work is for reconstruction and technical rearmament will be included in a group that is higher for paying management workers. And in construction and installation organizations of the highest group, the first, the salaries of this category of workers will be increased by 10-15 percent. All this will significantly increase the effectiveness of capital investments. Calculations show that if under the current five-year plan we increase the return by only 1 percent, the republic's national income will increase by 200 million rubles.



In order that, in the final analysis, the immense capital investments expended on the creation of the country's production apparatus be utilized effectively, it is necessary to efficiently utilize fixed capital and production capacities, and primarily the main part of fixed capital -- technical equipment. Many enterprises are not fully utilizing their planned capacities. According to data from research conducted by the Ukrainian SSR Central Statistical Administration, each year an average of 60 percent of newly introduced and reconstructed enterprises have prolonged the time periods for the assimilation of planned capacities, as a result of which during the years of the Tenth Five-Year Plan the republic's national economy failed to receive a total of 6 billion rubles' worth of industrial products.

The main factors in increasing the effectiveness of the utilization of fixed production capital are: the introduction of new technical equipment, mechanization and automation of production processes; the replacement and modernization of outdated equipment; improvement of production technology; improvement of product quality and elimination of losses and slipshod work; and improvement of the organization of production and labor, both in the branch as a whole and at enterprises as well as at each working position.

Improving the utilization of production capital means to carry out the production process in such a way that each ruble invested in equipment produces maximum output. The level of utilization of technical equipment, machines and other equipment exerts a direct influence on the effectiveness of production. Improvement of the utilization of equipment makes it possible to increase the output of products with the same capacities without additional capital investments.

Fixed capital is continuously being augmented with new and better technical equipment and other equipment, which is related to the planned process of raising the level of mechanization and automation of production.

At the present time, what with the high rates of scientific and technical progress and the intensification of production, the utilization of the achievements of science and technology in the national economy involves the development of branches of the investment complex and branches on which technical progress throughout the national economy depends. These are, above all, machine building and metal processing, electric power and chemistry. It is precisely in these branches that the latest machines, technical equipment and progressive new materials are created.

In keeping with the decisions of the 26th CPSU Congress, under the Eleventh Five-Year Plan it is intended to accelerate technical rearmament of branches and industries, so that the national economy is faced with the task of increasing the rates of updating technical equipment approximately 1.5-fold. And in order to achieve this, during the 5 years it is intended to increase the output of machine building and metal processing products 1.4-fold. It is necessary to master series production of new designs of machines and equipment, special technical equipment that corresponds to operating conditions in various branches and industries, means of automation and instruments. There is also the task of raising the technical level and improving the quality of machine building products and considerably increasing the economy and productivity of technical equipment that is produced as well as its reliability and durability. It is intended to considerably expand the output of spare parts, components and sets of parts for machines and equipment and also

for means of transportation. All this will undoubtedly contribute to raising the level of the utilization of fixed capital.

An important role in improving the utilization of fixed capital is played by prompt replacement of outdated equipment with new, more productive equipment. The same leading role is presently being assigned to modernization of production equipment. The state grants industrial enterprises broad opportunities for financing these areas of improvement of technical equipment. The main sources of financing are centralized funds that come in for these purposes from the fund for development of the enterprise and bank credit.

One should take into account that modernization of equipment with relatively insignificant one-time expenditures makes it possible to raise the technical level of equipment and labor productivity and also either to improve the quality of products whose production has already been assimilated or to arrange the output of better, and frequently new, products. The experience of many enterprises shows that as a result of modernization the productivity of equipment can be increased by 25-30 percent and more. In other words, modernization of basic technological equipment, if other problems related to increasing production are solved, can provide for increasing the output of products by one-fourth to one-third.

Improvement of production technology, directed primarily toward intensification of production processes, contributes to better utilization of existing capacities and fixed capital.

While extensively introducing new technical equipment and progressive technology at each enterprise, it is necessary to take into account the circumstance that one of the main conditions for increasing the return from fixed capital that is introduced is production specialization. Production specialization, on the one hand, considerably reduces the labor-intensiveness of the manufacture of products and, on the other, makes it easier to solve problems of improving the quality of the products that are produced. Each industrial enterprise must have a plan for producing products in an assortment which corresponds most to the available equipment and capacities. Such an approach makes it possible to utilize all existing reserves for increasing the effectiveness of the utilization of fixed capital and capacities. Moreover, when efficient specialization is organized in production, as practice shows, one achieves the greatest load on equipment. The high indicators for the utilization of existing capacities and loading of fixed technological equipment are a primary condition for increasing the effectiveness of the utilization of fixed capital and increasing the output-capital ratio at the enterprise.

High loading of technical equipment presupposes its maximum possible utilization in time -- during the course of the shift, working day, week, month and so forth.

A most important condition for increasing indicators of the utilization of equipment in time is increasing the coefficient of shift work. The decisions of the 26th CPSU Congress set the task of devoting special attention to increasing the coefficient of shift work of the most efficient machines and mechanisms. Increasing the coefficient of shift work is the most economical way of increasing the production of products from equipment at enterprises and, consequently, raising the level of the utilization of installed capacities and functioning capital.

A significant reserve for increasing the effectiveness of the utilization of fixed capital is reducing the amount of idle time between shifts. Industrial enterprises sustain great losses as a result of idle time between shifts, which come about because of various organizational shortcomings, breakdowns of equipment, violations of labor discipline and other factors which can be eliminated at the enterprise itself. Specialization of equipment, its rhythmical operation and strengthening of labor discipline in the collective are the main ways of sharply reducing idle time of equipment between shifts. A large reserve for reducing the amount of idle time of equipment and ensuring its normal operation is to improve the organization of repair work, to reduce its duration and to improve the quality of this work.

To describe the utilization of equipment one usually determines various coefficients, some of which can be applied for all kinds of equipment and fixed capital and for all branches and industries.

Other coefficients which are used to determine the level of the utilization of equipment have special purposes and are applied either to individual groups of fixed capital (for example, the coefficient for the loading of an internal combustion engine) or for a specific branch.

A most important indicator for all kinds of equipment and branches of the national economy is the coefficient of shift work of equipment. In the republic's industry the coefficient of shift work during the past 15 years has dropped from 1.59 to 1.46. Calculations show that if at the present time shift work in the republic's industry had remained at the 1965 level it would be possible to reduce the volume of fixed capital by approximately 4 billion rubles. Ministries and departments set for industrial enterprises a normative coefficient of shift work of equipment.

The actual coefficient of shift work of equipment ( $C_{sh}$ ) is determined as the ratio between the quantity of machine shifts (machine tool-hours) worked and the overall number of machines (machine tools).

$$C_{sh} = \frac{M_{sh}}{A} \quad (1)$$

where  $M_{sh}$  -- the number of machine shifts actually worked during 24 hours;  $A$  -- the overall number (fleet) of machines.

The coefficient of shift work can be calculated for the fleet of machines for any period of their operation: the day, the average for the month, the year.

In addition to the general coefficient of shift of all installed equipment, one calculates the coefficient of shift work of operating equipment. Operating equipment, in keeping with the accepted statistical accounting policy, includes equipment that has been in operation for more than 15 minutes during one shift.

The following two indicators of the utilization of equipment which reflect the level of extensive and intensive loading are very important.

The first of them, the coefficient of the utilization of the planned supply of time for the operation of equipment' ( $C_{pl.f}$ ) is determined by the formula:



$$C_{pl \cdot f} = \frac{T_f \cdot A_f}{T_p \cdot A_p} \quad (2)$$

where  $T_p$  and  $T_f$  -- planned and actual supplies of time of operation of a unit of equipment during a period of time (year, month, 10 days, 24 hours, shift);  $A_p$  and  $A_f$  -- number of units of equipment according to the production plan and actually operating.

If this indicator is determined for a unit of any kind of equipment, it indicates the coefficient of extensive loading of the equipment ( $C_e$ ).

The coefficient of intensive loading of the equipment ( $C_i$ ) is determined as the ratio between the actual volume of output of products (or work performed) in a unit of time and the maximum possible output of products for the same amount of time or the established planned norm for the output of products:

$$C_i = \frac{O_f}{O_p} \quad (3)$$

As we see, this coefficient characterizes the utilization of equipment in terms of capacity (productivity) per unit of time, and therefore it is called the "coefficient of the utilization of equipment in terms of capacity."

The integral coefficient of loading (utilization) of equipment ( $C_{int}$ ) characterizes simultaneously the level of its utilization both in terms of capacity and in terms of time. This indicator is determined either as the product of the first two coefficients --

$$C_{int} = C_e C_i \quad (4)$$

or from a developed formula:

$$C_{int} = \frac{T_f \cdot O_f}{T_p \cdot O_p} \quad (5)$$

where all symbols correspond to similar ones contained in formulas (2) and (3).

The effectiveness of the utilization of fixed capital as a whole is determined as its output-capital ratio. The output-capital ratio is the generalizing indicator of the level of the utilization of fixed industrial capital of the enterprise, association or branch.

The output of products per 1 ruble of value of fixed production capital (output-capital ratio) is determined by dividing the annual volume of commercial (gross) output or national income (net output) by the average annual complete book value (without subtracting wear and tear) of the industrial production fixed capital of the enterprise, association or branch:

$$\text{output-capital} = \frac{\text{Output}}{\text{Capital}} \quad (6)$$

This indicator can be calculated both for the entire value of the fixed capital and for the value of the active part of the fixed capital (machines, apparatus, instruments, equipment, and so forth).

Indicators of the output-capital ratio reflect the actual effectiveness of the utilization of existing fixed capital, making it possible to compare expenditures on its creation with the results of its operation. Increasing the output-capital ratio gives the national economy an immense advantage. It is no accident that the decisions of the 26th CPSU Congress reflected as one of the most important tasks for increasing the effectiveness of public production the task of constantly taking measures directed toward increasing the output-capital ratio in the branches of the national economy, the associations and the enterprises.

The ways of increasing the output-capital ratio are varied. They encompass literally all aspects of the production and economic activity of the enterprise. Improving practically all technical and economic indicators of the operation of the enterprise, and primarily increasing labor productivity, exerts an influence on increasing the output-capital ratio.

In turn, increasing the efficiency of the utilization of fixed capital is also manifested in increased labor productivity, reduced production costs and improvement of many other technical and economic indicators of the operation of the enterprises.

An effective lever for increasing the effectiveness of capital investments and the utilization of fixed capital is socialist competition. Competition for early assimilation of capacities and economical utilization of all production resources -- material, labor and financial -- are a powerful stimulus for increasing the return from fixed production capital, which reflects one of the most important aspects of the intensification of public production.

Improvement of the organization of work at each working position and more efficient utilization of each machine and each machine tool, each minute of working time, each ton of raw and processed materials -- such is the task of all participants in the all-union socialist competition. The CPSU sees in this one of the conditions for solving the problem of increasing the effectiveness of capital investments and improving the utilization of fixed production capital.

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## REGIONAL DEVELOPMENT

### FIVE-YEAR, 1982 TARGETS OF KAZAKH ECONOMY REVIEWED

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 1, Jan 82 pp 3-13

[Article by T. Mukhamed-Rakhimov, deputy chairman of the Kazakh Council of Ministers and chairman of the Kazakh Gosplan: "The Plans of the Party are the Plans of the People"]

[Text] The Kazakh Supreme Soviet has approved the republic's economic and social development plans for the 11th Five-Year Plan and for 1982.

During the discussion of the draft plans at the session of the republic Supreme Soviet, the deputies unanimously pointed to the enormous upsurge in the labor and political activeness of the workers brought about by the decisions of the November (1981) Plenum of the CPSU Central Committee and the Sixth Session of the USSR Supreme Soviet and by the program speech of the General Secretary of the CPSU Central Committee, L. I. Brezhnev, at the Plenum of the party Central Committee. The citizens of Kazakhstan perceived the theses and conclusions contained in the speech of L. I. Brezhnev at the Plenum of the CPSU Central Committee as a fighting program of actions.

The plans examined at the session were worked out proceeding from the decisions of the 26th CPSU Congress and conform fully to the Basic Directions in the Economic and Social Development of the USSR for 1981-1985 and for the Period Up to 1990 and the National State Plan for the 11th Five-Year Plan.

In setting the goals, a thorough analysis was made of the results of the Tenth Five-Year Plan and an examination was made of the proposals brought up at the 15th Congress of the KCP [Kazakh Communist Party], at the party conferences as well as the demands of the voters.

At the Plenum of the KCP Central Committee held on the eve of the opening of the republic's Supreme Soviet session, the member of the Politburo of the CPSU Central Committee and First Secretary of the KCP Central Committee, Comrade D. A. Kunayev, provided an exhaustive analysis of the state of our republic's economic and social development, he described the basic directions of republic economic development and defined the tasks of the republic party organization in successfully implementing the decisions of the November (1981) Plenum of the CPSU Central Committee and the theses and conclusions laid out in the speech of L. I. Brezhnev at the plenum.

The five-year plan outlines goals for the further dynamic growth of the republic economy and culture. The Kazakh state plans for economic and social development for 1981-1985 and for 1982 are aimed at implementing the main task of the five-year plan and envisage the development of all the republic economic sectors, the further strengthening of the republic's production and scientific-technical potential and the carrying out of the social program outlined by the party. The industry, agriculture, public health and culture of each of the 19 oblasts will undergo planned development.

The economy will be developed on a qualitatively new basis. During the 11th Five-Year Plan, more than one-third of the fixed productive capital is to be replaced. By the end of the five-year plan, the fixed capital will reach 129 billion rubles, including 89 billion rubles of productive capital.

National income will rise by 20 percent, the volume of industrial production by 25 percent and agricultural product (on an annual average basis) by 12 percent. The freight turnover of all types of transport will increase by 18.5 percent, state capital investments will rise by 12.7 percent, retail trade by 25.4 percent and real per capita income by 16 percent.

In accord with the party's plan, the designated development rates of the sectors are closely tied to the tasks of intensifying and increasing the efficiency of social production. The basic factors for this will be the growth of labor productivity, the accelerated pace of scientific and technical progress, an improved production structure, the strengthening of economy and the improving of national economic management.

Let me give certain figures. Over the 5 years, there are plans to increase social labor productivity by 16.2 percent. This will provide around 80 percent of the increase in national income and will make it possible to save the labor of over 650,000 persons. Labor productivity in industry will increase by 17.2 percent, by 13 percent in agriculture and by 15 percent in construction. From increased labor productivity we plan to obtain at least 86 percent of the increase in industrial product, the entire amount of the increase in agriculture product and over 70 percent of the increase in construction-installation work.

During the five-year plan, for the first time quotas have been set for reducing the use of manual labor. This is very important. Due to accelerating scientific and technical progress, we plan to provide almost 50 percent of the increase of labor productivity in industry. For this in the sectors under the Kazakh Council of Ministers over 90,000 measures will be introduced related to the technical reequipping, the improving of production methods, and the mechanization and automation of the production processes. There are plans to put double the number of electronic computers and automated control systems for production processes into operation than in the Tenth Five-Year Plan. The implementing of all these measures will make it possible to eliminate the manual labor of 114,000 persons.

The capital-to-labor ratio in industry during the 5 years will increase by 30.9 percent, in agriculture, transport and communications by 24 percent and in construction by 26.4 percent.



Measures have been planned to strengthen the tie of science with production. Thus, for developing the scientific institutions under the Kazakh Academy of Sciences, 19.5 million rubles of capital investments will be used and this is 23.2 percent more than in the previous five-year plan. The network of scientific institutions is to be broadened. There are plans to create scientific centers in Karaganda and Shevchenko.

The republic's scientific organizations and enterprises will participate in 63 national programs for solving major scientific and technical problems. The ministries and departments must take measures to more rapidly introduce the results of completed scientific developments into production.

Great attention has been given to improving product quality in the five-year plan. The output of articles with the distinctive pentagon [the Quality Mark] should rise by 1.7-fold. The proportional amount in the total production volume in 1985 will be 16 percent in comparison with 10.7 percent in 1980. Over 100 new types of industrial products will be developed. The carrying out of the extensive program for the republic's economic and social development requires the involvement of an enormous mass of raw material, fuel, energy and other material resources in production. For this reason the questions of their economic and rational use are of important national economic significance. For this reason, the five-year plan establishes more rigid standards for the consumption of raw products and materials. For example, for the organizations under the Kazakh Council of Ministers, there are plans to bring the average reduction in the consumption rate of rolled ferrous metals to 15 percent, general-purpose pipe to 10-12 percent, boiler-furnace fuel to 5 percent, thermal energy to 6 percent, electric power to 8 percent, and gasoline and diesel fuel to 13.5 percent. Measures have been planned for the maximum recovery of secondary resources. There will be an increase in the amount of the procurement of scrap paper, secondary textile materials and polymer scrap, worn-out tires and broken glass.

The ministries, departments and oblast executive committees should ensure the unconditional fulfillment of these quotas, in the near future they should revise the existing standards and rates for the consumption of raw products, fuel, energy and other material resources and introduce progressive ones.

In the system of measures to raise production efficiency, an increased role is being played by the financial and credit levers and the reduction of product costs. There will be a changeover to new wholesale prices and rates. Starting with the current year, in industry, along with profits, the plan will set the expenditures per ruble of commodity product. This will help to increase profits at a higher rate.

#### Industrial Development

The implementation of the large-scale tasks in the republic's social and economic development during the 11th Five-Year Plan will depend largely upon the effective use of the created production potential in industry. The volume of the industrial production in the republic by 1985 over the five-year plan will rise by 5.4 billion rubles and will surpass all the industrial product produced in 1960. Here 87 percent of the increase should come from operating enterprises.



For this, the plan envisages the maximum utilization of capacity. By the end of the five-year plan, capacity will be fully loaded for producing iron, aluminum oxide, tractors, agricultural machinery, metal-cutting machines, cotton and silk textiles, knitted underwear and other products. Capacity utilization will be increased for coal mining, the production of steel, rolled ferrous metals, copper, zinc, lead, mineral fertilizers and other types of products.

An improvement is planned in the location of the productive forces and a further strengthening of the industrial might of all the republic's oblasts. High growth rates for industrial production are planned in Mangyshlaksкая (by 1.7-fold), Aktyubinskaya (by 1.7-fold), Alma-Atinskaya (1.4-fold), Tselinogradskaya (1.4-fold), Ural'skaya (1.4-fold), Taldy-Kurganskaya (1.4-fold), Severo-Kazakhstanskaya (1.4-fold), Pavlodarskaya (1.4-fold), Chimbkentskaya (1.4-fold) and certain other oblasts. There is to be the further accelerated forming of territorial-production complexes [TPK]. The Pavlodar-Ekibastuz, Karatau-Dzhambul and Mangyshlak TPK will become major national sources of fuel and energy resources as well as for products of the chemical and petrochemical industries.

Particular attention is to be paid in the plan to developing the industrial sectors which determine the specialization and place of Kazakhstan in the nation's industrial potential, namely: the fuel-energy complex, nonferrous and ferrous metallurgy, machine building, the chemical and petrochemical industries.

There is to be further development of geological prospecting, primarily for oil and gas in Western Kazakhstan, an increase in the explored reserves of all major types of mineral raw materials and the intensified search and prospecting for deposits of ferrous and nonferrous metal ores, coal and phosphorites. There is to be a further strengthening of work in disclosing new deposits of underground water.

In 1985, electric power production will be 97.9 billion kilowatt hours or will grow by almost 1.6-fold over the 5 years. Construction is to be continued on the thermal power plants with a total capacity of 20 million kilowatts fired by the chief Ekibastuz coals. The Ekibastuz GRES-1 will be brought up to design capacity, the first stage of the Shul'binskaya GES will go into operation as well as 21,000 km of electric power transmission lines with a voltage of 35 kilovolts and more in addition to the first stages of two super-powerful power transmission lines from Ekibastuz to the Urals and to the Center. The completion of these projects by 1984 will ensure an exceeding of electric power output in the republic over its consumption.

Over the next few years the connecting of all the sovkhos and kolkhos divisions and farms to centralized power supply sources is to be completed.

The role of Kazakhstan will grow in the nation's fuel balance. There will be a significant increase in the output of oil, gas condensate and natural gas. The development of the deposits at Kalamkas and Karazhanbas will be accelerated and in Western Kazakhstan new oil deposits, the Tengizskoye and Zhanazhol, will begin production as well as the Karachagan gas condensate deposit. Along with this, the Mangyshlakneft' [Mangyshlak Oil], Embaneft' [Emba Oil] and Aktyubinskneft' [Aktyubinsk Oil] associations must improve the operation of the oil wells and introduce progressive recovery methods.

With the completion of the oil refinery in Chimkent, the volume of primary oil refining will rise by 1.3-fold. The oil pipeline between Pavlodar and Chimkent will go into operation. At the Pavlodar and Gur'yev refineries, they plan to introduce secondary processes for the complete refining of mazut, to improve quality and broaden the range of oil products.

In the republic, in 1985, coal mining should rise to 134.1 million tons. This is a growth of 16.2 percent. Here the basic increase will be obtained in the Ekibastuz Basin. During the five-year plan, more than 60 percent of the coal output will come from strip mining of the deposits.

In the Karaganda Basin a large amount of preparatory and cutting work is to be done. Here coal mining will be increased at the Borlinskoye deposit and there are plans to design a new large mine.

There are also plans to begin development of the Turgay Coal Basin. In 1985, an exploratory-operational pit will go into operation with a capacity of 500,000 tons of coal a year.

The volume of ferrous metallurgical products will increase by 22 percent. The increase in the output of iron, steel, rolled products and coke will basically be achieved by the expansion, reconstruction and technical reequipping of existing production. At the Karaganda metallurgical combine, they will begin operating the nation's largest sheet iron shop as well as a new coke-oven battery.

Work will be carried out to improve the raw material sources of the sector. Capacity will be put into operation for producing iron ore at the Sokolovsko-Sarbayaskiy, Lisakovsk and Kacharskiy mining and processing combines and chromium ore at the Donskiy Mining-Processing Combine. As a result in 1985, the output of iron ore will reach 24.5 million tons and for chromium ore 3.6 million tons.

At the Yermak Ferroalloy Plant they plan to build three furnaces with a capacity of 90,000 tons each. Reconstruction and technical reequipping have been planned for the Aktyubinsk Ferroalloy Plant. Construction of the refractories plant will be continued in Rudnyy.

Great tasks confront the enterprises of Vtorchermet [State Trust for the Procurement and Processing of Secondary Ferrous Metals]. Quotas have been approved for expanding the network of receiving points and processing shops. The ministries and departments as well as the executive committees of the local soviets must improve work in the procurement of scrap ferrous metals.

In nonferrous metallurgy major measures are planned to strengthen the raw material sources of the sector as well as to technically reequip and reconstruct the enterprises. Output of refined copper will increase by 15.9 percent, by 11.6 percent for lead, 7.7 percent for zinc and 27.1 percent for titanium.

Over 2.1 billion rubles of capital investments have been allocated for the sector's development. This is an increase of 51.5 percent in comparison with the Tenth Five-Year Plan. There are plans to build the second stage of the Zhayrem Mining and Processing Combine, the Akchiy-Spasskiy open pit and underground mines at the

Dzhezkazgan Mining and Metallurgical Combine. Capacity will be completed for ore mining at the Eastern Kazakhstan Copper-Chemical Combine, the Zhezkent Mining and Processing Combine, the Zyryanovsk Lead Combine, the Leninogorsk, Irtysh and Achisay polymetallic combines, the Tekeli Lead-Zinc Combine and the Akzhal Mining and Processing Combine as well as new ore-processing capacity. The Ust'-Kamenogorsk Titanium-Magnesium Combine is to be expanded. There are plans to reconstruct the Pavlodar Aluminum Plant for processing the low-grade bauxites of the Krasnooktyabr'skoye Ore Administration.

The chemical and petrochemical industries will undergo rapid development and here the production volume will rise by 2-fold over the 5 years. Here the output of mineral fertilizers in 1985 will reach 608,000 tons of nutrients and will increase by 1.6-fold. The production of yellow phosphorus will rise by 1.8-fold.

The increased capacity of the Karatau Association and the completion of the Chilisay phosphorite mine will ensure the further development of the raw phosphate sources of the sector. The Novodzhambul'skiy Phosphorus Plant will begin operating another four electrothermal furnaces for producing yellow phosphorus, as well as capacity for producing phosphoric acid and sodium tripolyphosphate. There are plans to reconstruct the phosphorus and other enterprises as well as improve the production processes. At the Aktyubinsk Chemical Plant, they will commence construction on capacity to produce ammonium phosphate.

The implementing of the envisaged measures should help to stabilize the operations of enterprises in the Soyuzfosfor [All-Union Phosphorus] Association which possess sufficient capacity for fulfilling the established plans.

With the developing of capacity at the Shevchenko Plastics Plant, the output of synthetic resins and plastics will increase by 6.6-fold.

Last year, the republic started to produce tires for motor vehicles and agricultural machinery. By the end of the five-year plan, their production will reach 4 million units.

The production volume of machine building and metal working products will rise by 1.3-fold. This will be basically achieved by expanding and reconstructing the existing enterprises. The greatest development will be in tractor and agricultural machine building, the electrical equipment and motor vehicle industries, construction, road and chemical machine building. The republic's machine builders will begin producing new types of machines and instruments.

The Tselinograd Production Association for Erosion-Prevention Equipment will increase the output of machinery for the moldboardless working of soil and for the first time production will be started for special equipment to put the alkali soils into crop rotation. The Aktyubinsk'skiy mash [Aktyubinsk Agricultural Machinery] Plant will produce a range of machinery and equipment for mechanizing work in sheep raising. Capacity will be expanded at the Eastern Kazakhstan Production Association Kaztyazhpromarmatura [Kazakh Heavy Industrial Reinforcing Rod] and the plants: Petropavlovsk Insulating Materials, Stepnogorskiy Bearing and Talay-Kurgan Alkali Battery. An enterprise will be built to produce machinery for rice harvesting in Kzyl-Orda.

In the five-year plan, great attention has been given to developing the industrial sectors producing consumer goods. The production of consumer goods (the "B" group) in 1985 is to be brought up to 7.4 billion rubles with an increase of 23 percent over the 5 years in comparison with 21 percent in the Tenth Five-Year Plan. As a whole, 878 million rubles of capital investments will go for developing these sectors and this is an increase of 1.2-fold. For each year of the five-year plan, quotas have been set for producing commodities in mass demand and vital necessities, children's articles, goods for workers engaged in distant pasture livestock raising as well as articles from local raw materials and production wastes. Measures have been worked out to increase the production of such articles at the heavy industry enterprises.

All the sectors, ministries, oblasts and enterprises should consider the set quotas as minimum ones and ensure their overfulfillment.

In the lumber and woodworking industry there will be a significant increase in furniture production. In 1985, its output will grow by 28.3 percent and reach 248.4 million rubles; here the production volume of children's furniture will increase by 2.6-fold.

There are plans to complete the reconstruction of the Pavlodar and Ural'skaya furniture mills, to expand the Alma-Ata Association and begin building a furniture combine in Tselinograd.

The Minlesprom [Ministry of Timber Industry] is also to increase the production and improve the quality of the yurts, horse-drawn wagon and other products.

In light industry, the production volume over the 5 years will increase by 23.4 percent. Textile output will rise to 221.7 million m<sup>2</sup> and here the production of silk textiles will rise by 2.7-fold. The volume of primary processing for natural wool will increase by 37.5 percent. The raw material sources of the sector will be improved: output of cotton thread will increase by 27.1 percent, nonwoven materials of the fabric type by 7.5-fold and the production of cotton filament will be started. The production of sheepskin articles is to be broadened.

Some 393 million rubles of capital investments is to go for the sector's development with an increase of almost 1.4-fold over the 5 years. There are plans to complete a number of mills: a finishing mill in Ust'-Kamenogorsk, a thread spinning mill in Tselinograd, a mill for nonwoven materials in Kzyl-Orda, a mill for primary wool processing in Aktyubinsk, a cotton thread mill in Karaganda, a footwear mill in Taldy-Kurgan, a porcelain plant in Kokchetav and others.

In local industry, product output will increase by 1.3-fold, including by 1.7-fold for articles produced from local raw materials and wastes. Measures are planned to increase the output of products for children, warm clothing, dishware, locksmith, down-feather and lighting products.

In this sector there must be further development of the folkcrafts and the home forms of labor must be broadened.

The production of cultural and household goods will increase by 1.6-fold. Here the output of porcelain and earthenware dishes will increase by 3.3-fold, household



chemical items by 1.7-fold, children's prams by 3.6-fold, orchard and garden utensils by 2.3-fold, rolling machines for home canning by 3.8-fold, children's bicycles by 2.5-fold, furniture by 28.3 percent and steel enameled dishes by 1.6-fold. The heavy industry enterprises will begin producing a number of technically advanced articles and in particular stereo tape decks, tape recorders, electric stoves, home electric heaters and so forth.

### The Development of the Agroindustrial Complex

In accord with the decisions of the 26th CPSU Congress, the republic is to make a significant contribution to carrying out the nation's food program. For these purposes there is to be further balanced development of the sectors which form the single agroindustrial complex. Some 17.4 billion rubles of capital investments have been allocated for its development and this is almost one-half of the total for the republic. Fixed productive capital will be over 28 billion rubles and this is 33 percent more than in 1980.

The gross product of the agroindustrial complex will increase by 15.7 percent over the 5 years. Here decisive significance will be given to further intensifying agricultural production, the gross product of which, as has already been pointed out, will rise by 12 percent, including by 9.3 percent for crop products and 13.5 percent for livestock raising.

The key problem has been and remains the greatest possible increase in grain production. Its annual volumes should rise up to 28.4 million tons and for procurement to 16.3 million tons.

The average annual production of raw cotton should be 340,000 tons, for sugar beets 2,392,000 tons, for potatoes 2,260,000 tons and for vegetables 1,266,000 tons.

Such tasks are fully within the power of the sovkhoses and kolkhoses which now possess a reliable physical plant. It is essential to carry out all the winter farming measures promptly and well, to prepare well for the spring field work and establish a firm basis for the future crop.

Important tasks have been set in the development of livestock raising. It is to be consistently converted to an industrial basis and there is to be precise specialization of its sectors.

A significant increase in livestock products should be obtained by the farms of Semipalatinskaya, Kokchetavskaya, Kustanayskaya, Alma-Atinskaya, Pavlodarskaya, Dzhambul'skaya and Chirchikentskaya oblasts.

The plan is to ensure average annual meat production (in dressed weight) of 1.23 million tons, with an increase of 21.8 percent in comparison with the Tenth Five-Year Plan; for milk the target is 5 million tons or 14.8 percent, for eggs 3.5 billion units (9.6 percent), for wool 110,800 tons (12.5 percent), and for astrakhan pelts 2,572,000 pieces, or an increase of 7.4 percent.

A further increase in the number of all types of livestock and poultry remains a major task. Here, in accord with the well-known decree of the CPSU Central

Committee and the USSR Council of Ministers, the number of head of sheep in the republic should rise to 41 million head by the end of the five-year plan.

In order to bring about an increase in the production of livestock products, it is essential to raise the level of mechanizing the labor-intensive processes on the farms and to improve selection and breeding work. A crucial time has arrived for the sovkhos and kolkhos farms. We have everything necessary for the successful wintering of the livestock. For the first time, 17 million tons of hay and a significant amount of other coarse and succulent feed have been prepared. Now the main thing is to consume the feed resources economically and rationally, to carry out the wintering in an organized manner without losses, and not allow a decline in animal productivity during the period the animals are kept inside.

One of the reserves for increasing food resources will be the greatest possible development of the private plots, farmstead and collective orchard and garden growing. In 1981, the republic had organized 423 subsidiary farms and in the future these farms must be expanded in every possible way and given help.

Land reclamation is an important condition for ensuring a further rise in agricultural production. Some 3 billion rubles of capital investments are to go for these purposes and this is 16.7 percent more than in the previous five-year plan. We intend to complete 410,000 hectares of new irrigated lands, to provide water for 15 million hectares of pastures and to reconstruct the water management works on pastures previously provided with water on an area of 28 million hectares.

There are plans to more fully utilize the water resources of the Irtysh, Syrdar'ya, Chu, Talas and Ili rivers. Construction of the Yeginsuyskoye, Kandysuyskoye, Shul'binskoye and Aktyubinskoye reservoirs is to be completed for increasing the water supply of existing irrigated land and further expanding new irrigated lands.

Construction has been commenced on the Great Alma-Ata Canal which will make it possible to increase the water supply for 115,000 hectares of land in Alma-Atinskaya Oblast, to widen the area of newly irrigated lands and substantially increase the production of agricultural products in the suburban zone of the capital.

Construction will be continued on the installations of the second stage of the Irtysh--Karaganda Canal, and water will reach Zhayrem in 1984.

We should complete 3,959 km of group water mains and 6,300 km of intrasettlement lines and this will make it possible to significantly increase water supply for the rural population points in Kustanayskaya, Severo-Kazakhstanskaya, Ural'skaya, Kokchetavskaya, Tselinogradskaya, Turgayskaya and other oblasts.

Major material, technical and financial resources have been allocated to ensure the designated growth rates of agricultural production. During the five-year plan, 15.6 billion rubles of capital investments will go for the sector's development. There are plans to complete barns for 11.7 million head of sheep, meat poultry farms for 32.3 million chickens and egg farms for 1,266,000 layers, for raising and fattening 174,000 head of hogs, hothouse combines on an area of 86 hectares and other projects. The republic agriculture will receive 147,600 tractors, 111,000 trucks, 93,000 grain-harvesting combines and around 20 million tons of conditional units of mineral fertilizers.



In the five-year plan, particular attention has been given to improving the housing, cultural and service conditions for the rural workers. Some 3.6 billion rubles will be spent for these purposes or an increase of 26 percent in comparison with the Tenth Five-Year Plan. In the rural localities they plan to build housing with a total area of 14.8 million m<sup>2</sup>, or 20 percent more than in the Tenth Five-Year Plan.

In the agroindustrial complex, an important place is held by the food sectors the production volume of which will rise by 23 percent over the 5 years.

In the food industry there are plans to improve the utilization of raw materials, to reduce as much as possible the losses in the processing and storage of food and on this basis increase production and improve product quality. The total production volume in the sector is to rise by 19.7 percent, including by 20.3 percent for the Kazakh Minpishcheprom [Ministry of Food Industry] and by 26.2 percent for the Minplodoovoshchkhov [Ministry of Fruit and Vegetable Raising]. The output of granulated sugar will increase by 23.3 percent over the 5 years, by 6.7 percent for confectionary goods and by 18.7 percent for canned fruits and vegetables. From internal production we will basically meet the demand of the republic's population for macaroni and confectionary products, vegetable oil, beer and nonalcoholic beverages. For these purposes there are plans to complete a macaroni factory in Chimkent, a bread, macaroni and confectionary combine in Karaganda, bakeries in Gur'yev and Taldy-Kurgan and a Pepsi Cola bottling plant in Alma-Ata. Construction will start on a bread, macaroni and confectionary combine in Ust'-Kamenogorsk and a bakery in Alma-Ata. The Chuyskiy Sugar Refinery, the oil and fat combine in Chimkent and a number of other enterprises will be reconstructed.

In the meat and dairy industry, an increase in output and improved product quality are planned by the more comprehensive processing of resources. Meat production is to rise by 28.4 percent, butter by 14.7 percent, canned meats by 46.1 percent, whole milk products by 14.8 percent. There are plans to increase the output of whole and dry skimmed milk substitutes by 4.3-fold.

There will be more rapid growth for the production of ready-to-use products, semi-finished products and culinary products.

During the five-year plan, a meat processing plant will be completed in Alma-Ata, an urban dairy in Ust'-Kamenogorsk, Kentau, Sary-Atach, Zhanatas, Dzhetysay, Chimkent and Shakhtinsk, dairies in Semiozernyy and Komsomol'sk of Kustanayaskaya Oblast, a cheese plant in Atbasar and a poultry shop in Panfilov. The urban dairies are also to be expanded in Petropavlovsk, Kustanay, Gur'yev and Kokchetav. Shops producing whole milk substitutes are to be built in Semipalatinskaya, Aktyubinskaya, Pavlodarskaya and Kustanayaskaya oblasts.

Rapid development is planned for the flour milling, groats and combined feed industry. Elevator capacity will be increased by 2.4 million tons. Mills will be built in Kustanay and Arkalyk and eight combined feed enterprises. This will provide an opportunity to increase the production of high-grade flour by 17.7 percent, combined feeds by 30.5 percent and protein-vitamin additives by 1.9-fold.

The Kazakh Minzag [Ministry of Procurements] and Minsel'khoz [Ministry of Agriculture] must do additional work, bearing in mind that along with large elevators it

is essential to ensure the construction of small storage capacity as well as combined feed shops closer to the kolkhozes and sovkhoses. Special attention was paid to this in the speech of Comrade L. I. Brezhnev at the November (1981) Plenum of the CPSU Central Committee.

In the fishing industry, measures are planned to ensure a steady raw material source. Increased work is to be done to reproduce the fish stocks at the Bukhtarminskoye Reservoir, in Lake Balkhash and the bodies of water of Northern and Central Kazakhstan. Work will be continued to increase and develop the capacity of the fish-raising farms. These measures will make it possible to ensure an increase in the output of market fish by 2.5-fold on the fish-raising farms. The Balkhash cannery will go into operation.

#### Transportation and Communications

Major measures have been planned to improve the operations of all types of transports. Specific quotas have been set to increase the technical equipping, to rationalize freight shipments and improve transport ties.

Large amounts of money have been allocated for the development of rail transport. The completion of double tracks and double-track sections and the converting of around 1,000 km of rail lines to electric traction will increase the carrying capacity of the main lines.

The freight turnover of republic motor transport will rise by 28.4 percent. There are plans to broaden the most economic centralized freight shipments.

The operation of passenger transport will be improved. All the rayon centers will have bus terminals and stations. There are plans to begin operating 20 bus and taxi fleets and 6 vehicle repair enterprises.

It must be pointed out that motor transport has significant reserves for increasing the amount of shipments and primarily by further increasing the use factor of the motor vehicles, widening container and packet shipments as well as widely using trailers.

The length of hard-surfaced roads will increase by 7,000 km over the 5 years. All the oblast and rayon centers will be interconnected by well-equipped roads. More than 200 sovkhoses and kolkhozes will be connected by access roads. There are plans to reconstruct a number of existing national roads.

During the 11th Five-Year Plan construction of a subway will be started in Alma-Ata and its designing is already started.

In river transport, construction of a port in Gur'yev and a pier on the Ili River will be completed while the Semipalatinsk and Pavlodar ship repair yards will be reconstructed.

Shipments by air transport will increase. Air terminals will be built in Dzhezkazgan and Semipalatinsk, an airport in Karaganda and six runways on the local air routes.

The Travniki--Kustanay--Amankaragay oil products pipeline will go into operation with a length of 509 km and the first stage of the oil products pipeline between Petropavlovsk--Kokchetav--Tselinograd.

The volume of communications product will rise over the 5 years by 23.3 percent. The length of the long distance communications channels will increase by 33 percent and the capacity of the automatic telephone exchanges by 39 percent. Ten large television stations will be put into service. Central TV programming will cover around 90 percent of the republic's population.

### Capital Construction

The successful carrying out of the tasks confronting the republic will depend largely upon the state of affairs in capital construction. During the 11th Five-Year Plan 35.5 billion rubles of state capital investments will be used and 19.3 billion rubles of construction-installation work carried out.

The effectiveness of the expenditures should increase significantly. For the first time, as throughout the nation, a more rapid growth is planned for the completion of fixed capital in comparison with the growth of capital investments. A decisive policy has been set of concentrating the financial, material and labor resources on the most important construction projects. The share of capital investments going into the technical reequipping and reconstruction of existing enterprises is to increase. The level of industrialization will rise significantly and there will be a further improvement in the organization of construction.

As a result of reducing the number of newly commenced projects and the concentrating of capital investments, the proportional amount of money going to nearly completed sites and projects will be around 65 percent in comparison with 54 in the initial Tenth Five-Year Plan. The money being channeled into technical reequipping and reconstruction will rise by 81 percent in comparison with the Tenth Five-Year Plan.

These measures will make it possible to reduce incomplete construction down to the estimated level.

The sectorial structure of capital investments outlined in the five-year plan has been set proceeding from the role of the republic in the nation's economic complex. The highest growth rates are planned for capital investments in sectors comprising the foundation of the republic's economy: the fuel and energy complex, ferrous and nonferrous metallurgy, the chemical and petrochemical industries. Significant funds are to be spent on the development of agriculture and increasing the capacity to produce consumer goods as well as in the sectors related to consumer services.

During the current five-year plan, there will be a rise in the amount of contracting carried out by the basic construction ministries. For the organizations of the Mintyazstroy [Ministry of Heavy Construction], this has been set with an increase of 21 percent, for the Minsel'stoy [Ministry of Rural Construction] by 19 percent and for Glavalmazstroy [Main Alma-Ata Construction Administration] by 37 percent. In order to meet such indicators, it is essential to fundamentally improve the state of affairs in capital construction, to put an end to the scattering of resources, to concentrate them on the most important and nearly completed projects and to end the practice of putting the projects into operation with incomplete work.

It is essential to strictly ensure comprehensiveness of construction not permitting a lag in the construction of the social, cultural and service projects behind production construction.

The plan envisages a rise in the production base of construction. There are plans to more widely employ new types of materials and articles, effective reinforced concrete elements and economic shapes of rolled metal. For these purposes capacity will be increased for producing a number of building materials. Expansion will be completed at the Novokaragandinskiy Cement Plant as well as the reconstruction of the Semi-palatinsk and Sastyube cement plants.

There are plans to reconstruct the existing housing construction combines for producing assemblies of the new series and to build enterprises for large panel housing construction in Arkalyk, Gur'yev, Zhanatas and Ekibastuz. Six plants producing reinforced concrete products will be put into operation.

There are plans to build five brick yards operating on imported equipment (each with 60 million pieces), three of them in Dzhezkazgan, Yermak and Ust'-Kamenogorsk are to be completed in the current five-year plan. The output of progressive building materials will be increased.

The Minpromstroyaterialov [Ministry of the Building Materials Industry], the Mintyazhstroy and Minsel'stroy must adopt measures to improve the operation of the existing enterprises, particularly in rural localities, and in the next few years carry out their technical reequipping. The further introduction of the brigade contract remains an immediate task for construction and during the current five-year plan this should become the basic form in the organization of labor.

#### Social Development and the Increased Standard of Living of the Workers

In the five-year plan, a broad social program is to be carried out. Some three-quarters of the national income is to go to satisfy the needs of the republic's population. The real per capita income will rise by 16 percent while the average monthly wages of manual and white collar workers will reach 194 rubles or increase by 16.2 percent.

Retail commodity turnover by 1985 has been planned at a total of 16.6 billion rubles or an increase of 25.4 percent. The turnover of the public dining enterprises is to increase by 29 percent.

The physical plant of trade will be significantly strengthened.

The volume of consumer services to the public will increase by 49 percent, including by 52 percent in rural localities.

All the oblast centers will have consumer service centers. There are plans to complete 15 specialized enterprises for the repair of complicated household equipment, dry cleaning, and for the repair and manufacturing of furniture. Some 40 service centers will be built in rural localities. All the rayon centers and central farmsteads of the sovkhozes and kolkhozes will have standard bathhouses, receiving points and other service enterprises.



The carrying out of the major housing construction program will help to successfully solve the socioeconomic problems. There are plans to complete housing with a total area of 31 million m<sup>2</sup> and this will make it possible to improve housing conditions for another 3 million of the republic's inhabitants.

In the five-year plan, quotas have been set for improving the operation and maintaining the housing. There is to be a further rise in the level of amenities and landscaping for the housing. Virtually all towns will have centralized water supply. The introduction of a gas supply system in the population points will be continued. By the end of the five-year plan, all rayon centers should have hotels. Trolley bus lines will be built in Aktyubinsk and Tselinograd.

Some 823.7 million rubles of capital investments will go for municipal service requirements and this is 4 percent more than in the Tenth Five-Year Plan. Important tasks have been set in the area of public education and culture. In 1985, more than 47 percent of the children (1.2 million persons) will be covered with preschool institutions. Over the five-year plan, we intend to build children's preschool institutions with 173,000 places and general education schools with 390,000 places including 256,000 places in the countryside.

Higher and specialized secondary education will undergo further development. There are plans to train 588,000 specialists and this is 18 percent more than in the Tenth Five-Year Plan. Construction should be completed on the first stage of the group of buildings of the Kazakh State University, the classrooms of the Kazakh Polytechnical Institute, the food and women's pedagogical institute in Alma-Ata, Karaganda University and the polytechnical institute, the Chimkent Pedagogical Institute for Culture, the Dzhambul Technological and the Ust'-Kamenogorsk Road Construction institutes and a number of other higher and specialized secondary institutions.

In the vocational-technical schools, more than 900,000 skilled workers will be trained basically with a secondary education. Training centers will be completed for 60,000 students.

The number of cultural and art institutions will increase. All the rural population points with 300 or more inhabitants will have libraries, clubs and movie equipment. There are plans to complete the construction of theater buildings in Semipalatinsk and Kzyl-Orda, a studio color TV complex and a palace of Pioneers in Alma-Ata, and Pioneer homes in Chimkent, Gur'yev and Arkalyk.

The physical plant of the publishing houses will be significantly strengthened and the output of books and other printed materials will be increased. All the oblast centers will basically have standard printing and book repository buildings. The printing of books in 1985 should rise up to 50 million standard copies while the run of newspapers will reach almost 1 billion and for magazines 48 million copies.

Public health facilities will be improved. Some 55 hospital complexes will be put into operation. All the oblast and a majority of the rayon hospitals will be located in standard buildings. There are plans to build 40 multispecialty rayon hospitals. The network of rural position-tended outpatient clinics is to be expanded.

There will be further development of the network of institutions for sanatorium and resort treatment, recreation and sports activities for the workers.

Measures have been set for the rational use of water, land, forest and other natural resources to preserve the environment. Some 488 million rubles of capital investments are to go for these purposes for the system under the Kazakh Council of Ministers and this is a rise of 17.5 percent in comparison with the Tenth Five-Year Plan.

The plan envisages greater work to protect agricultural land, to make fuller and more comprehensive use of minerals and to widely introduce low-waste or waste-free production methods in the aim of reducing the release of harmful substances into the environment. Work will be continued on recultivating the land and protecting it against salt formation. There will be increased capacity for the systems of recycled and reused water.

#### The Targets for 1982

1982 will be an important stage in carrying out the quotas of the new five-year plan. But first how we carried out the quotas of the first year of the five-year plan. It was marked by a further rise in the economic and scientific-technical potential and by increased well-being of the republic workers.

Due to the unstinting labor of the workers, the kolkhoz members and intelligentsia, and to the great organizational and political work carried out by the republic party organization, the republic economy significantly moved ahead in all areas of economic and social development.

According to the preliminary estimate, national income rose by 3.1 percent in comparison with 1980. The fixed productive capital will reach 72 billion rubles.

The volume of industrial production will increase by almost 4 percent. We expect to fulfill the quotas for the output of a majority of the major products. The production of electric power, coal mining, oil and gas output, iron and steel casting, the rolling of ferrous metals, the production of tractors, agricultural machinery, cement and so forth will increase.

Work has been strengthened to increase the output of consumer goods and improve their quality. The use of scientific and technical achievements in the national economy is widening.

Labor productivity in industry will rise by 2.2 percent.

The agricultural workers have made a good start on the new five-year plan. Regardless of the bad weather conditions, many oblasts have successfully fulfilled the quotas and the socialist obligations for the sale of grain to the state. More than 960 million poods of high-quality grain will be delivered to the graineries of the motherland. The republic workers with a feeling of enormous joy and sincere gratitude welcomed the assessment of their labor made by Comrade L. I. Brezhnev at the November (1981) Plenum of the CPSU Central Committee.



The annual plan was also fulfilled for the purchases of raw cotton, sugar beets, tobacco, vegetables, melon crops and grapes.

It is also essential to note the positive results achieved in increasing the number of livestock and poultry and in the increased livestock products. According to calculated data, the plan for the purchases of eggs, wool and astrakhan pelts will be fulfilled.

The annual plan is being fulfilled by all types of transport and communications.

In the sectors of the republic economy, considering all the financing sources, 7.55 billion rubles of capital investments will be used including 4.13 billion rubles for construction and installation work. Some 100 major production capacities and projects should go into operation. But, as was pointed at the Plenum of the KCP Central Committee and the session of the Kazakh Supreme Soviet, a decisive about-face has still not occurred in construction as many organizations do not meet the plan quotas, they operate at a loss and do not raise labor productivity. Such a situation cannot be tolerated.

Let me take up the major questions in the development of the republic economy and its sectors in 1982.

The increase in material production and the rise in its efficiency will make it possible to bring the republic's national income up to 20.7 billion rubles. The output of industrial product will increase by 3.7 percent. There are plans to begin producing a number of new types of product and to update the assortment as well as improve the quality of consumer goods.

The republic's fuel and energy complex will be developed at a rapid pace. Electric power output will rise by 17.5 percent, coal mining by 4.8 percent and oil production by 12.3 percent. Measures are planned to increase product output in other heavy industry sectors.

Great attention is to be given to increasing the production of consumer goods. The output of products from the "B" group will rise by 3.6 percent.

Gross agricultural product should increase by 6.1 percent. Grain production should reach 27.9 million tons and purchases will be 60 million tons. Production and purchases of other types of crop products will also grow.

In livestock raising there is to be a further rise in productiveness and an increase in the number of head. The state purchases of livestock and poultry have been planned at 1.5 million tons, for milk 2.48 million tons, for wool 128,000 tons, for astrakhan lamb 2.48 million units and for eggs 1.95 billion units.

Around 3 billion rubles of capital investments are to go for the comprehensive development of agriculture. The sovkhoses and kolkhoses will receive 3.1 million tons of mineral fertilizers, 28,200 tractors, 18,000 grain harvesting combines, 20,500 trucks and much other equipment.

Production capacity and product output will be increased in other sectors of the agroindustrial complex as well. The production volume in the meat and dairy industry will rise by 6.4 percent, in the food industry by 2.4 percent and in the flour-milling, groats and combined feed industry by 4.5 percent.

For meeting the economy's needs for shipments, there is to be the further strengthening of the physical plant of all types of transport and communications.

Work is to be continued on further providing the population with housing. Real per capita income will rise by 2.1 percent, retail trade by 3.5 percent and the volume of consumer services by 5.7 percent. In 1982, 6.1 million m<sup>2</sup> of total housing area will be completed, children's preschool institutions for 32,000 places, general education schools for 74,000 places as well as new classroom buildings for a number of higher and secondary institutions. The hospital network will grow by 3,700 beds.

A taut construction program must be carried out. The overall limit for state capital investments has been planned at a total of 6.9 billion rubles. Some 92 major capacities and projects are to be built.

At the November (1981) Plenum of the CPSU Central Committee, Comrade L. I. Brezhnev focused attention on the questions of improving the management of the economic mechanism. In July 1979, the CPSU Central Committee and the USSR Council of Ministers adopted a special decree on these questions. It must be admitted that in our republic this decree has been introduced slowly and half-heartedly.

Over the five-year plan, there should be a further improvement in the organization of management for the groups of sectors, for the territorial production complexes and for intersectorial production. Measures must be carried out to improve the organizational structures for managing groups of interrelated sectors bearing in mind the creation of a rational management system for production, distribution and transporting of raw products, materials, energy and finished products, construction, trade and utility and consumer services.

The quotas of the 11th Five-Year Plan are taut ones. It is essential, in being guided by the theses and conclusions put forward in the speech of the General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet, Comrade L. I. Brezhnev, at the November Plenum to focus attention on fulfilling and overfulfilling the 1982 plan and the five-year plan as a whole. For these purposes all efforts must be channeled into carrying out the party's theses, that is, to increase national economic efficiency and to intensify it. We must make maximum use of the existing opportunities for accelerating scientific and technical progress, for raising labor productivity, increasing output and improving product quality. The necessary measures must be carried out to ensure the rational and economic consumption of metal, fuel, electric power, raw products and materials, financial and labor resources and do everything so that our economy is an economic one. Work must be done constantly to further improve economic planning and management as well as to improve the style and methods of management.

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## REGIONAL DEVELOPMENT

### IMPORTANT ROLE FOR SOVIETS IN ECONOMIC, SOCIAL PLANNING URGED

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[Article by N. Zenchenko, deputy chairman of the RSFSR Gosplan: "A Comprehensive Approach for the Economic and Social Development of Regions"]

[Text] The Decisions of the 26th CPSU Congress note that with the ratification of the USSR Constitution followed by the Union and autonomous republic constitutions, a new stage commenced in the activities of the soviets. "Without reducing attention to the questions of the local economy and the serving of the public, they are making," said L. I. Brezhnev, "an ever-greater contribution to ensuring a comprehensive nature for economic and social development. Evermore actively the soviets are coordinating and monitoring the work of the enterprises and organizations located on their territory."<sup>1</sup>

A new feature in the activities of the soviets has been the elaboration in the autonomous republics, krays, oblasts, cities and rayons of summary sections for the entire range of measures in the area of social development in coordination with the quotas for the increase in the production volume, for capital construction and increased efficiency as part of the state economic and social development plans. The local soviets have also been entrusted with working out and approving summary five-year and annual plans for the production of local building materials, for producing consumer goods, as well as plans for housing, utility, cultural and service construction.

Naturally, such organization of the work has necessitated a major revision in the activities of the planning bodies, the carrying out of a whole series of measures to improve the compiling of the territorial plans, the search for new forms of relationships with the Union- and republic (RSFSR)-level associations and enterprises and the strengthening of personnel in the planning bodies.

The Decree of the CPSU Central Committee "On the 60th Anniversary of the Formation of the USSR" comments that centralized planning combined with extensive initiative of the Union and autonomous republics, the autonomous oblasts and okrugs makes it possible to ensure balanced and effective development of the Soviet economy.

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<sup>1</sup> "Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, Politizdat, 1981, pp 64-65.

## Measures to Improve Territorial Planning

The recently occurred increase in the scale of the economy and the complicating of production ties have necessitated the elaboration of planning and reporting materials which encompass all enterprises and construction projects located on the corresponding territory (regardless of their affiliation) as well as close cooperation between the Union, republic and local management bodies in the course of elaborating and implementing the plans. The quotas now being set by the USSR Supreme Soviet in the economic and social development plans for the Union republics encompass all the national economic sectors. Thus, in the RSFSR, in 1981-1985, they intend: to increase the production of industrial products by 25 percent and to rapidly develop machine building, the gas, chemical and petrochemical industries. In the 11th Five-Year Plan quotas have been set for the output of electric power, the production of oil and gas, the production of rolled ferrous metals, mineral fertilizers, textiles and knitwear. The average annual volume of gross agricultural product should be increased by 13 percent. Quotas have been set for the production of grain, sugar beets, meat, milk and other agricultural products. Naturally, this has required the reflecting of the quotas set for the RSFSR in the plans of the autonomous republics, krais and oblasts and the systematizing of relationships between the variously-affiliated enterprises, the local soviets and their planning bodies.

The Decree "On Further Increasing the Role of the Soviets in Economic Construction" adopted last year by the CPSU Central Committee, the Presidium of the USSR Supreme Soviet and the USSR Council of Ministers significantly widened the coordinating and supervising powers of the soviets in economic construction. The range of soviet functions is presently very broad, including: ensuring integrated economic and social development on the corresponding territory and increased production efficiency, improving all aspects of the life of the Soviet people, satisfying their material and cultural needs, strengthening the savings of material resources and improving state and labor discipline.

The elaboration of summary territorial plans with the incorporating in them of the basic indicators from the plans of the Union and Union-republic associations, enterprises and organizations is aimed at ensuring the integrated economic and social development of the regions, the effective placement of the national economic sectors over the territory and the rational utilization of existing resources. Such plans are drawn up on the basis of the territorial breakdown of the sectorial plans which are worked out by the ministries and departments. These determine the production quotas, the material, labor and financial resources for the associations, enterprises and organizations and, hence, also for the territory. These quotas also determine the plans and specialization of the republic, kray and oblast economies in developing social production as well as the amounts of resources to be allocated.

In the course of analyzing the draft plans drawn up by the Union and Union-republic enterprises, frequently various disproportions are disclosed in the calculations of the individual ministries and departments. Measures are outlined to eliminate them, to increase the output of one or another product and to develop certain types of production in the aim of the integrated use of the raw material.

A number of autonomous republics, krais and oblasts of the RSFSR have already acquired a good deal of experience in working out the summary territorial plans.



Thus, the Kemerovskaya Oblast Executive Committee since 1979 in the economic and social development plans has begun to provide quotas as a whole for all the enterprises and organizations located on the oblast's territory, including for coal mining, iron and steel casting, the production of rolled ferrous metals, mineral fertilizers and so forth. Quotas for all the enterprises located on the territory of the Bashkir ASSR are also shown in the republic's economic and social development plans. The situation is similar in other oblasts and autonomous republics. The results of the socialist competition of the Union and autonomous republics, krays and oblasts are summed up by the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU considering plan fulfillment by all the enterprises and organizations located on their territory.

The essence of the new approach to planning the material production sectors and the standard of living of the people (not only as a whole for the nation but also for each region) consists in the fact that both the sectorial and the territorial plans should ensure all-round and comprehensive consideration of all the factors in setting the economic development and social construction tasks and in settling intersectorial questions on the territory.

A particular feature in the plans for the 11th Five-Year Plan and for 1982 is their orientation toward a further rise in production efficiency, the most important indicator of which is the growth of labor productivity. On the basis of accelerating scientific and technical progress and improving production organization there are plans to increase labor productivity by 21 percent. Some 90 percent of the increase in industrial product and the entire increase in agricultural product and the volume of construction-installation work will be obtained from this. Since labor resources in the current five-year plan will increase insignificantly, it is essential to solve a whole series of questions related to increasing labor productivity at the industrial enterprises, the construction projects and in agriculture for achieving the intended increase in product. The problems of controlling the size of the labor force at the enterprises (regardless of their departmental affiliation) in the autonomous republics, krays and oblasts have been entrusted to the local soviets.

A number of difficult questions confront the local soviets and their planning bodies in working out the summary section of the plan for the entire range of measures in the social development area. The figures characterizing the social focus of the 11th Five-Year Plan are very indicative. The share of the consumption fund in national income over the 5 years will increase from 74 to 77 percent, real per capital income will rise by 17.7 percent and retail trade by 22.7 percent. The growth rate of production in the sectors of the "B" group will outstrip the output rate of products in the "A" group.

The elaboration in 1981 of a summary plan for consumer goods output had made it possible to broaden the range of enterprises with set quotas for their production. In a number of regions the enterprises have assumed obligations to increase consumer goods output above the quotas set by the ministries. In Leningrad, for example, this increase was over 2 percent. In drawing up the summary plan, significant attention was given to broadening the assortment and improving the quality of consumer goods.

The drawing up of summary plans for housing, utility, cultural and service construction has also necessitated a new approach to the organization of work. All

these plans are a component part of the comprehensive economic and social development plans for the corresponding territory. The fullest satisfying of the public's needs for social, domestic and cultural services can be ensured only under the condition of the rational placement of these facilities over the territories of the autonomous republics, krays and oblasts.

It should be pointed out that the summary plans for housing, utility, cultural and service construction cannot be merely the total capital investment limits and the quotas for completing various projects set for the ministries and departments. The question is much more complicated. The amounts of state capital investments for the construction of housing, utility projects, public health, schools and children's preschool institutions are formed not only from capital investments allocated to the autonomous republics, krays and oblasts but also from a portion of the capital investments allocated by the ministries and departments for production construction amounting to up to 5 percent of the total limit of construction-installation work for building production-end projects as well as from the fund of sociocultural measures and housing construction formed according to the Decree of the CPSU Central Committee and USSR Council of Ministers, No 695; of 12 July 1979, amounting to 30-50 percent of the material incentive fund of the production associations and enterprises.

For building housing, utility projects, hospitals and children's preschool institutions, it is possible to employ the above-planned profit (up to 30 percent) of the enterprises and organizations which have not converted to the new procedure of planning and economic incentive as well as a portion of the profit of enterprises located in areas of the Far North and equivalent localities.

Moreover, the capital investment plan for housing, cultural and service construction should consider the funds being channeled for these purposes by the kolkhozes, cooperative and public organizations as well as the housing construction volume paid for from the funds of the urban and rural population using state credit. Under these conditions it is quite a difficult matter to determine the total volume of expenditures on housing, utility, cultural and service construction for the territory. For example, in 1981, this section of the summary plan was drawn up only in the second quarter. The overall quota for completing housing from all financing sources, in comparison with 1980, was set with an increase of 4.6 percent, for general education schools a 5.7 percent rise, for children's preschool institutions, 33.7 percent, and consumer service houses and centers by 68 percent.

A thorough study of the state of affairs on the spot rather often provides an opportunity to use the resources of large industrial enterprises and ministries for this purpose. Thus, in Kuybyshev, during the 11th Five-Year Plan the Union-level industrial enterprises will build: children's preschool institutions with 1,720 places, a hospital with 200 beds and a preventive medical center with 120 beds. There are many such examples. They are the result of active work carried out by the local soviets and their planning bodies to seek out reserves.

In the summary plan prepared in the oblasts, krays and autonomous republics, evermore attention is being given to conservation and the rational use of natural resources. In the course of this work the initiative in raising questions on carrying out various measures frequently comes from the local soviets since precisely they are responsible for monitoring the carrying out of conservation measures.

In the course of fulfilling the plan and analyzing its results, the planning bodies acquire rich material making it possible to determine the most effective areas for the specialization of the region in the social division of labor. This work is of important significance for assessing the state of economic development on the corresponding territory and makes it possible to work out an optimum (sectorial and territorial) economic structure and to determine the limitations on using individual types of resources and the location of sectors and types of production as well as the requirements for the development of the production and social-domestic infrastructure. Thus, the basic areas of the integrated development plan and the proposals for the more rational development of economic and cultural construction on the corresponding territory are formed not only on the basis of the drafts worked out by the associations, enterprises, organizations, ministries and departments but also by studying the opportunities for the efficient use of local resources. It is precisely at this stage that the local planning bodies, together with the ministries, departments, the design and geological prospecting organizations, study the problems of putting the discovered raw material resources into use and settle the questions of the location and construction of new enterprises and the development of the production and social and domestic infrastructure.

The decisions adopted by the local Soviets and their planning bodies are of important significance in preparing the preplanning materials needed to determine the tasks of integrated development of the corresponding territory. Moreover, it is possible to successfully prepare such materials only considering the objective conditions existing on one or another territory. The importance of this stage of planning work in which the state and development trends of the economy, its prospects and a broad range of factors are analyzed, is increasing more and more since the local soviets should submit to the RSFSR Gosplan their proposals on the draft plans of the Union- and republic (RSFSR)-level associations, enterprises and organizations.

The ensuring of integrated economic and social development of the corresponding territory will be aided by the fact that the Union- and republic (RSFSR)-level associations, enterprises and organizations, according to the established procedure, even before submitting the draft five-year and annual plans and the proposals to amend these plans to the superior bodies, should send them for review for the questions concerning land utilization, conservation, construction, labor resource utilization, consumer goods production, sociocultural, domestic and other services for the public, to the autonomous republic councils of ministers and to the executive committees of the kray, oblast, okrug, rayon and city soviets which, in turn, forward their proposals on the results of examining the designated draft plans and their amendments to the associations, enterprises and organizations.

The title lists of construction projects, regardless of their departmental affiliation, as concerns the construction of housing, the municipal economy projects, cultural, service and conservation projects, will be coordinated by the clients with the corresponding local soviets at the site of the construction project in order to coordinate the construction of these projects with the expenditure totals and the dates of completing them as well as with the construction of the production-end projects.

For coordinating the capital construction plans with the capacity of the construction organizations and labor resources and for promptly putting the projects under construction into operation, the local soviets will, together with the Union- and republic-level associations, enterprises and organizations which are the clients and the contractors, starting in 1982, draw up proposals on the draft contracting plans of the construction and installation organizations of the construction ministries carrying out general construction work on the territory of the corresponding autonomous republics, krays, oblasts and okrugs and submit them to the Union republic councils of ministers and to the superior construction organizations.

Also of important significance for increasing the comprehensiveness of economic and social development on the corresponding territory will be the involvement of the autonomous republics, krays and oblasts in working out the regional programs and shaping the territorial-production complexes [TPK] (the Western Siberian, Sayan, Southern Yakut and others) and industrial centers. The territorial programs of national and republic significance (for example, the development of the zone of the BAM [Baykal-Amur Mainline], the construction of highways in the RSFSR and others) being worked out, as a rule, provide sections for each autonomous republic, kray and oblast where one or another program is being organized. In working out the plans for the development and location of the national economic and industrial sectors, the questions of locating the specific enterprises over the long run can be solved by the ministries, departments and state planning bodies only considering the conclusions and proposals on them from the autonomous republic councils of ministers and the executive committees of the kray and oblast soviets.

The new tasks confronting the planning bodies have demanded changes in the working methods and planning instrumentarium and a clearer "division of labor" between the territorial and sectorial bodies. The previous indicators for the economic development of the autonomous republics, krays and oblasts were not sufficiently sound and in essence represented a summary of the approved plans for the enterprises and organizations and these were not first examined by the local soviets. In this regard they virtually could not be used for settling such questions as ensuring a matching of the needs of the sectors for individual types of resources with their availability in the territory, planning the development of intersectorial production, coordinating the plans for related types of production, forming a unified interdepartmental development program for the public service sphere and evaluating production efficiency in each autonomous republic, kray and oblast. The mechanism of coordination between the comprehensive territorial and sectorial plans was poorly worked out and there were major shortcomings in the planning documents.

At present the situation should change. According to the list approved by the USSR Gosplan, the plan indicators will be submitted by the superior-level associations, enterprises and organizations to the autonomous republic councils of ministers and to the executive committees of the kray, oblast, okrug, rayon and city soviets for incorporation in the five-year and annual economic and social development plans of the corresponding territory. This will have a positive effect upon the elaboration of the territorial and sectorial plans. There has also been a broadening of the range of balances used for calculating and setting the plan indicators (in particular, it will include balances for the monetary income and expenditures of the population, labor resource balances, a unified plan for providing the schools with 8th-grade graduates of the general education schools, balances for the capacity and



fixed productive capital for types of products characteristic for the corresponding territory, sectorial physical, cost and material balances describing the balancing and efficiency of the economy, the standard of living and services for the public, the state of the environment and so forth).

For ensuring the balancing of the plans, the elaboration of plan variations and the optimization of planning decisions, electronic computers have begun to be more actively employed. In the RSFSR, for example, presently 24 oblasts, krays and autonomous republics are working out automated planning calculation systems. A significant number of cities, oblasts and rayons including Moscow and Moscow Oblast, Leningrad and Leningrad Oblast, Sverdlovskaya, Tomskaya, Permskaya, Gor'kovskaya and certain other oblasts have an opportunity to obtain a significant portion of the initial information, the planning and report documents in a machine-generated format in the form of tables and this excludes any "manual" working up of the received materials.

At the same time, far from all the planning bodies of the local soviets and sectorial ministries pay proper attention to ensuring a comprehensive approach in the economic and social planning of the territory and do not show proper initiative and tenacity in seeking out reserves for increasing production efficiency and work quality. It must be pointed out that many of the Union- and Union-republic ministries and departments (Mintyazhmash [Ministry of Heavy and Transport Machine Building], Minchermet [Ministry of Ferrous Metallurgy], Minleppishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances] and Minenergomash [Ministry of Power Machine Building]) rather often hold up the submitting of planning materials to the Union republics and are late in providing quotas for the enterprises and associations. This causes delays in working out the summary territorial plans and reduces their direct importance in organizing work to fulfill the set quotas early.

#### Coordinating the Activities of Enterprises and Organizations Located on the Territory

In accord with the varying affiliation of the enterprises, construction sites and organizations, the USSR and Union republic ministries and departments and the local soviets are involved in managing the economy on the territory of the autonomous republics, krays and oblasts. In the course of this work often problems arise which require coordinated activities by all managing bodies for settling questions of intersectorial significance. V. I. Lenin at one time pointed to the importance of such work. Even during the first years of Soviet power in the "Order from the Council of Labor and Defense to the Local Soviet Institutions," he wrote: "The absence of coordinated work by different departments on the spot is one of the major evils impeding economic construction. Enormous attention must be paid to this question."<sup>2</sup>

Naturally, the methods of coordinating the activities of superior-level enterprises and organizations have been continuously improved depending upon economic development and upon the tasks being carried out in one or another stage of communist construction. However, at present this work has not lost its statewide significance

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<sup>2</sup> V. I. Lenin, PSS [Complete Collected Works], Vol 43, p 278.

both in the Union as well as in the autonomous republics, krais and oblasts. "On questions relating to its competence, a Union republic," states Article 77 of the USSR Constitution, "coordinates and supervises the activities of the Union-level enterprises, institutions and organizations." Similar rights have also been granted to the local soviets. Their realization to an even greater degree than before requires a constant improvement in the area of coordinating the activities of the enterprises, construction projects and organizations located on the territory. This is important because an economic region encompasses not only various national economic sectors but also the entire infrastructure ensuring objective conditions in the activities and life of the population on one or another territory.

The general problem is to ensure increased efficiency in social production by achieving proportional economic development, correctly solving intersectorial questions and improving the utilization of labor and natural resources. Efficiency can be achieved primarily under the condition of systematically coordinating the activities of enterprises under the Union, Union republic and republic ministries and departments and by their clearer coordination both between themselves as well as with the territorial management and planning bodies. The direct link of the ministries and departments with the local bodies is provided through the forwarding of the control figures, the basic indicators of the draft plans and the approved plans by the enterprises and organizations (at their location) to the appropriate kray, oblast and city planning commissions and autonomous republic gosplans. The feedback comes by elaborating proposals on a certain range of questions and providing them to the corresponding ministries and departments.

In the overlapping of interests of various departments often major problems arise which are most acutely apparent in disrupting proportionality in the development rates and activities of their enterprises. This can be shown from the example of the development of the Berezniki-Solikamsk Industrial Region. In accord with the decisions of the 25th CPSU Congress, during the 10th Five-Year Plan major financial and material-technical resources were to be allocated for the integrated development of the Verkhnekamsk Potassium Basin. The USSR Minkhimprom [Ministry of Chemical Industry] and Minmontazhspetsstroy [Ministry of Installation and Special Construction Work], with the active support of the Permskaya Obkom, were able to organize business-like cooperation. In a short period of time a strong base of the construction industry was created, mining-chemical enterprises and thermal power plants were built along with microrayons with complete amenities. At the same time the other partners, the railroad and transport construction workers, systematically failed to meet the construction dates and this had a negative effect upon the development of the entire region.

In a whole number of regions of concentrated construction, particularly serious oversights are to be found in the development of the nonproduction sphere. As an example let us look at the development of the municipal services of Tyumen'. Concentrated in the city are 15 main administrations and large production associations. Over the last 15 years, the population of the oblast center has increased by 2.5-fold. Here have appeared new movie houses and palaces of culture, hotels, schools and stores while housing has increased noticeably. However, the manifestation of a departmental approach by certain clients has impeded the integrated development of the city. Around 50,000 people live in its southeastern part. At the same time here there is not a single dining room, polyclinic, standard stores, drug stores,

movie theaters or clubs, and elementary amenities and landscaping of the territory have not been provided. Undoubtedly in similar instances a comprehensive approach to development can be provided only by the efforts of the local soviet by coordinating the activities of the various organizations.

In a number of instances, the ministries and departments in building large projects do not carry out the previously approved conditions for creating the entire range of facilities related to serving the workers or building utilities on the territory. They provide an insufficient amount of money for carrying out measures to protect the environment, they shift them to "later on," and do not promptly work out and implement the necessary measures. Thus, the Minkhimprom and Minneftekhimprom [Ministry of Petroleum Refining and Petrochemical Industry] and certain other ministries have not carried out the measures related to environmental conservation in such cities as Omsk, Ufa, Sterlitamak and Novokuybyshevsk.

The practice of recent years has shown that the coordinating of actions by enterprises from different ministries and departments on the part of the local bodies in the area of developing the production and social infrastructure requires particularly close attention. For this purpose it is essential not only to generalize the materials of the associations, enterprises and organizations (relating to their need for infrastructure capacity and involvement in its creation) and evaluating the conformity between the overall demand for this capacity and the planned scale of development, but also coordinating the participation of the ministries and departments in building and utilizing the capacity of the infrastructure enterprises.

Particularly much work is being carried out in organizing housing and utility construction in those cities where the local soviets have assumed the functions of the sole client. This is important for the integrated development not only of large cities but also the small and medium towns. The system of the sole client must be further developed so that it is more widely employed in developing the towns and settlements on the route of the BAM, in the regions of the Kursk Magnetic Anomaly, the Kansk-Achinsk Coal Basin and in other areas of intense construction. Such services could be supported by the funds of all the builders.

Unfortunately there still are ministries and departments which do not want to create major housing and sociocultural facilities in new regions. For example, 15 forestry enterprises are already operating in the Irkutsk sector of the BAM. Of them 6 belong to various departments of Kazakhstan, Tajikistan, Kirghizia, the Minlesbumprom [Ministry of Timber, Pulp and Paper and Wood Processing Industry] and others. However, none of these enterprises has planned to build major projects in accord with the elaborated development plans. Only temporary settlements are being put up of prefabricated wooden houses. As a rule, construction of social and service facilities has been deferred to later times.

Coordinating the activities of associations and enterprises from different ministries on the corresponding territory means not only measures to coordinate and reconcile their efforts but also prompt aid to them.

In planning "from below" (in the initial stage of compiling the plans), the associations and enterprises have an opportunity independently, proceeding from the quotas of the five-year plan, to set a broad range of indicators and draw up counterplans

which organically are incorporated in the planning system and represent a form of active worker participation in management. In this regard a broad range of questions arises requiring a reconciling of the diverse interests of the sectors and specific territory. The 26th CPSU Congress particularly pointed to the need "to increase the effectiveness of territorial planning and its role in the development of regions."<sup>3</sup>

Naturally, the full range of questions arising in reconciling the interests of the sectors and the specific territory can be brought out best of all only with the actual elaboration of the long-range and current plans and the organizing of their fulfillment.

In the Union and autonomous republics, the krays and oblasts, extensive work is systematically carried out to organize the fulfillment of the economic and social development plans. Involved in carrying out the plans are not only the collectives of the associations, enterprises and construction projects but also all the party, soviet and economic bodies as well as many public organizations. This particularly is the strength of the territorial economic and social development plans.

The local planning commissions hold a significant place in organizing control over the fulfillment of the plans. The main aim of their check consists in promptly detecting and preventing possible disproportions as well as to disclose and put into operation unutilized production reserves.

The importance of a check on the fulfillment of plans stems from the role of planning in the socialist economy. The laws of the socialist economy are consciously used by the soviets in planning leadership procedures. For precisely this reason the organization of plan fulfillment provides for daily checks on the course of its fulfillment, the mobilizing of the mass of workers to carry out the quotas set in the plan and eliminating individual discrepancies in national economic development. The check should disclose reserves essential for solving problems arising in the course of plan fulfillment. This applies primarily to the struggle for savings in the national economy, improving equipment utilization, systematically reducing the consumption standards for raw products, fuel and materials, reducing unproductive expenditures, raising labor productivity and improving production methods.

In work practices a rather ordered system of supervising plan fulfillment has already come into being. It includes a check on the correct issuing of the plan to the enterprises, construction projects, kolkhozes and sovkhoses, control over the course of carrying out the plan quotas and summing up the results for the quarter, 6 months, 9 months and year as a whole. The results of the check are discussed at sessions of the local soviet executive committees, at the boards of the ministries and departments and in the RSFSR Council of Ministers and the necessary measures are taken to eliminate the disclosed shortcomings. Moreover, at a majority of enterprises the results of plan fulfillment are systematically provided and in the necessary instances measures are worked out to overcome lags.

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<sup>3</sup> "Materialy XXVI s"yezda KPSS," p 198.



This system of organizational measures makes it possible to systematically monitor the course of carrying out the economic and social development plan for the corresponding territory and to constantly focus on the questions of increasing the efficiency of social production, accelerating the development of the sectors and promptly spotting lagging areas.

At the same time often in a whole series of autonomous republics, krays and oblasts a significant number of enterprises do not fulfill the quotas for product output, producing articles of the set product range, for profit or the growth of labor productivity. Thus, in 1981, the proportional amount of enterprises under the RSFSR Ministry of Textile Industry which did not fulfill the product sales plan was 4.6 percent, while for the RSFSR Ministry of Local Industry, the figure was 6.6 percent, for the RSFSR Ministry of Building Materials Industry 14.4 percent and for the RSFSR Ministry of Forestry, it was 16.7 percent. There was an even greater proportional amount of enterprises which did not fulfill the plan for labor productivity and profits. A significant number of the production collectives was among the laggards. There were instances when the plan was not fulfilled for the oblast or ASSR as a whole. In 1980, for example, the plan was not fulfilled by Chitinskaya and Ul'yankovskaya oblasts and the Tuva ASSR. In 1981, among those not fulfilling the plan were the Buryat, Karelian and Mari ASSR's, Altayskiy and Krasnoyarskiy krays, Kemerovskaya, Orenburgskaya, Irkutskaya and certain other oblasts.

This shows that there are substantial shortcomings in the work of organizing plan fulfillment and in supervising the course of carrying it out. In 1982, much remains to be done to seriously improve the work of the central and local economic and planning bodies in organizing plan fulfillment. The need has arisen of carrying out an entire system of measures which could be described as a system of controlling the fulfillment of the national economic plan. At present the nation has gained great experience in managing large comprehensive programs, scientific developments, large construction projects and so forth. But the experience is not sufficiently employed for the process of organizing plan fulfillment. As a rule, the enterprises which do not fulfill the plan are forgotten if it has been overfulfilled for the ministry, department or oblast as a whole.

Supervision should be provided first over the correct use of material, labor and financial resources and over the prompt examination of questions related to the non-fulfillment of the plan by individual enterprises and construction projects; over encouraging the introduction of new equipment and advanced experience; over the broad use of the entire system of economic levers and legal means for carrying out the plan quotas and contractual obligations, strengthening contractual and plan discipline; the organization of the socialist competition and so forth.

Naturally, in organizing control over the fulfillment of the national economic plan, a primary place should be held by precise supervision over the course of implementing the plan quotas both on the level of the associations and enterprises and for the corresponding territories, including: the autonomous republics, krays, oblasts, cities and rayons. As is known, the force of supervision is apparent not only in those instances when shortcomings are detected and immediate measures must be taken. It is equally important to spot early the factors which impede the fulfillment of the plan and thus to prevent failures.

In this regard of great interest is the organizing of supervision over the carrying out of the plan by the associations, enterprises and construction projects in Rostovskaya Oblast and among the initiators of the campaign of "working without laggards." Here the aktiv is widely involved in this work, lags and interruptions are promptly spotted on all levels of production and the necessary measures are taken. The oblast works constantly to improve the forms and methods of economic leadership and to strengthen control over the fulfillment of the plans for labor productivity, new equipment, product costs and so forth.

Great attention should also be given to the experience of the Stavropol'skiy Kray executive committee in organizing supervision over the fulfillment of the plan quotas and the decisions of the superior and local bodies. Here over the last 10 years at each executive committee session without fail they take up the question of the fulfillment of the adopted decisions. Here attention is drawn not only to the work of the enterprises and construction projects which are behind but also to the experience of the advanced enterprises. Such an organization of supervision is largely aided by the fact that each specific point of a new decision is taken into account. The file which is kept in the sections of the executive committees makes it possible to see the course of carrying out the set quotas at hundreds of large and small enterprises, at the organizations and all the city and rayon soviets.

Undoubtedly, supervision over the fulfillment of the plan in recent years has become more regular. There has been consistent development of such principles as systematicness, comprehensiveness, effectiveness, purposefulness and publicity. However, often it is still concentrated on the overall indicators of enterprise operations and in a number of instances does not reach the goal. At the same time the success of supervision is determined by an analysis of the reasons of specific shortcomings and by elaborating the required effective measures to eliminate them. Certainly for results of supervision there must be a clear defining of the rights and duties of bodies on various management levels, great effectiveness in the activities of all the leadership and the greatest possible strengthening of planning discipline.

In our view, it is essential to more widely carry out comprehensive checks and an analysis of the course of carrying out national economic plans; it is essential to improve the soundness and concreteness of the measures to be taken aimed at ensuring plan fulfillment; to clearly stipulate the dates for completing the quotas and determine those responsible for carrying them out. Here it is advisable to make fuller use of comparative methods considering that a comparison of experience and work results at a given enterprise with the indicators for the activities of other analogous types of production will make it possible to promptly and effectively disclose existing reserves to ensure plan fulfillment.

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## REGIONAL DEVELOPMENT

### SUPPLY PROBLEMS IN WESTERN SIBERIAN REGION REVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 9, Feb 82 p 13

[Article by I. Dubovskiy, deputy chief of the Western Siberian Main Territorial Administration of the USSR Gossnab, Novosibirsk: "When Supplies Overstuff the Pocket"]

[Text] The subdivisions of the Western Siberian Main Territorial Administration of the USSR Gossnab [Zapsibglavsnab] in their activities have adhered to the principle of before dispatching the next batch of materials to an enterprise or construction site to make certain how the resources which were previously dispatched are being employed. We endeavor to ascertain whether surplus stocks have been allowed to form and how fund discipline and the rules for storing metal, lumber, cement and other materials are being observed. At present more and more often we must toughen the demands against those who try to keep unjustified balances of materials in reserve although at times these materials are acutely needed by other enterprises.

If one asks a worker from a supply service of an industrial enterprise or construction project: "Where did the surpluses come from?", one hears in reply: "They accumulated and hence are there." In his opinion, the materials have been obtained on a completely valid basis: those are the sectorial consumption rates and they were adhered to in establishing the calculations.

Thus, in a recent check at the plants of Minelektrotekhprom [Ministry of Electrical Equipment Industry], in many standards a solid "margin of error" was discovered. For example, last year for the Novosibirsk Sibelektrotyazhmash [Siberian Heavy Electrical Machinery] Plant, consumption standards were set for rolled metals for seven types of produced products and these standards exceeded the actual levels in 1980.

Or take as a whole the region served by Zapsibglavsnab (Novosibirskaya, Omskaya and Tomskaya oblasts) where many such facts are to be encountered. In 1981, the Minstroydormash [Ministry of Construction, Road and Municipal Machine Building] set for the Novosibirsk Construction Machinery Plant a planned rate for the consumption of refractories per ton of iron castings of 29 kg, and for 1982, 22 kg, although in actuality 18.3 kg was required. Last year, our services adjusted around 5,000 consumption standards for various types of raw products and materials. Careful analysis made it possible to establish that 646 of them were overstated.

However, a number of enterprises have not drawn the correct conclusions. After analyzing the standards, in the course of drawing up the 1982 material-technical supply plan, almost 20 percent of the standards were lowered. Certain enterprises endeavored to obtain surplus resources with a total value of almost 2 million rubles.

For individual types of materials (facing plastic, dry white zinc pigment, polyethylene film and others), at a number of Novosibirsk enterprises the standards have not been revised for several years. They have lost their mobilizing importance and do not stimulate a search for reserves of economy.

There can only be one conclusion: we, the workers of the territorial supply bodies, on a planned and systematic basis must be concerned with revising the current standards for products assigned to the USSR Gosnab. For example, the hardware section of Zapsibmetalloznabsbyt [Western Siberian Main Administration for the Supply and Marketing of Metal Products] has acted correctly in closely following the condition of the standards in the sphere of hardware consumption at the region's enterprises. Last year, the section revised 262 standards and at its insistence some 118 standards were lowered.

Work with the executive balances has helped to improve the standards base. Using this document all the resources can be seen which the enterprise has had over a previous period, the results of fulfilling the plan and the consumption of materials both according to the planned and actual standards. For example, the Trud [Labor] Plant, upon the recommendation of the hardware section turned over to the supply depot 3½ tons of electrodes from above-norm inventories.

Practice shows that reserves not apparent on the surface to a significant degree can be brought out if there is constant thorough engineering and economic analysis. For this purpose we have strengthened the section for the saving and rational use of material resources of Zapsibglavsnab. It must be admitted that we can and should do much more in the sphere of norming and utilizing material resources.

At present the work of reducing inventories is being strengthened at the industrial enterprises and construction projects. Thus, the measures worked out by the Novosibirsk construction organizations for 1982 will make it possible to save 850 tons of metal, 3,000 tons of cement and a significant amount of lumber.

The operations group of Zapsibglavsnab regularly reviews the questions of the rational consumption and reallocation of building materials. In 1981, as a result of such maneuvering, the above-norm balances of metal products were reduced by 8,000 tons in the construction organizations.

Still, the desire of certain economic leaders to obtain ever more as yet has not been eliminated. For a large group of enterprises in the Western Siberian Region last year the balances of surplus, unsold or slowly sold materials exceeded 286 million rubles, that is, 43 kopecks per ruble of normed inventories. What is the result of this? The turnover rate of normed working capital at the heavy industry enterprises of Novosibirsk and the oblast over recent years, for example, has slowed down from 64 to 85 days. A sampling disclosed materials valued at 1.2 million rubles which had not moved for more than a year.



Constant concern for the saving and rational use of raw products, materials, equipment and other material resources is a very important task for the bodies of the USSR Gosplan on the spot. As is known, interdepartmental commissions have been set up for the purposes of coordinating and providing effective control over the course of implementing the planned measures in the republics, krais and oblasts. At present the commission which exists in Novosibirsk is concentrating on the reasons for the forming as well as the measures for reducing the above-norm supplies of reinforced concrete, metal, lumber and other materials in the construction organizations.

We must improve the work of the State Control Section of Zapsibglavsnab over the use of material resources in the national economy.

The still large amount of so-called exchange operations shows the shortcomings in our activities to allocate resources. We carry them out but the above-normed balances are not reduced. Even worse they often serve as an unique cover or screen for all sorts of very dubious deals from the viewpoint of observing fund or allocation discipline. The question arises: Why, in spite of all the measures undertaken, are the inventories still high?

In our view, the supply and marketing organizations themselves to a definite degree are to blame for this. More accurately, it is the slowly changing system of evaluating their operations which at times forces them to resort to the intensive "expelling" of materials from the supply depots of these organizations. Certainly the fulfillment of the warehouse sales plan is directly tied to such indicators in the operations of the territorial supply bodies as overhead, profit, labor productivity and the formation of the economic incentive funds.

Under the conditions of an acute shortage of certain types of products is it reasonable to "tether" the indicators for the operations for the supply and marketing organizations to such an indicator as warehouse sales which could more accurately be termed product dispatch? I am convinced that if this indicator were not "forced" on the territorial bodies they would be more circumspect and would begin to dispatch the resources considering the balances, the data of the executive balances and the other documents which confirm the actual needs of the users.

Evaluation criteria are also required which would focus primarily on strengthening the role of the USSR Gosplan bodies and on raising their responsibility for the most economic use of material resources.

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## REGIONAL DEVELOPMENT

### PROGRESS, PROBLEMS IN DEVELOPING MANGYSHLAK PRODUCTION COMPLEX TOLD

#### New Approach Required

Moscow PROMYSHLENNOYE STROITEL'STVO in Russian No 3, Mar 82 pp 23

[Text] "It is apparent that it is necessary to approach the extracting industries as a whole in a new way. They now get the lion's share of capital investment, and, indeed, the demand for raw and energy-bearing materials will grow. Consequently, the successes of the whole national economy will depend greatly upon a rise in the effectiveness of the extracting industries. The ways to do this are to accelerate scientific and technical progress, to process useful minerals intensively and in integrated fashion, and to make wider use of secondary resources."--L. I. Brezhnev. The Accountability Report of the CPSU Central Committee to the 26th Party Congress.

Regional production complexes, which are a highly effective combination of several branches of industry that have precise production and technological interrelationships and make the best use of raw materials, energy and transport nets and infrastructure are now increasingly a decisive factor in the social and economic character of many important parts of our country. Regional production complexes are acquiring special importance in the accelerated development of the eastern and northern parts of the country that possess great raw-material reserves.

As N. A. Tikhonov, Chairman of the USSR Council of Ministers, noted in his report to the 26th CPSU Congress, the 11th Five-Year Plan will be the first step in realization of the USSR's power-engineering program, which is being developed at the initiative of Leonid Il'ich Brezhnev. Major complicated tasks are to be performed under the new five-year plan by oil, gas and coal industry workers. Work will continue on improvement of the distribution of productive forces, both in existing regions and in new ones. It is planned to intensify their integrated development and specialization and to take steps toward rational economic interrelationships.

A number of regional production complexes, including the one at Mangyshlak, will be developed in the country's eastern and northern regions. The TPK's [regional production complexes] created during the Ninth Five-Year Plan have supplied all the nationwide growth in the extraction of oil, gas and coal. The journal has already acquainted readers, in issue No 4, 1981, with the problems of developing the Pavlodar-Ekibastuz TPK, the basis of which is the Ekibastuz fuel-and-power complex.

As Comrade L. I. Brezhnev noted in the Accountability Report to the 26th CPSU Congress, the Mangyshlak Regional Production Complex will play a growing role, along with other TPK's, in the economics of the Asian part of the country.

The 26th CPSU Congress decided that development of Kazakhstan's petrochemical industry, which has increased primary oil refining 2.1-fold, is to continue, simultaneously with other branches of industry there, that geological exploration for oil and gas in West Kazakhstan will be expanded, and that development of the Buza-chi Peninsula oilfields will be speeded up.

D. A. Kunayev, member of the CPSU Central Committee Politburo, First Secretary of the Kazakhstan Communist Party Central Committee and Thrice Hero of Socialist Labor, noted in his book, "Sovetskiy Kazakhstan," the important role of the oil industry in development of the republic's economy. He stresses that conquest of the natural riches of the Mangyshlak Peninsula has made the republic one of the oil-bearing regions of the Soviet Union and that creation of the Mangyshlak TPK, where gas processing, the chemical industry, power engineering (including nuclear) and other branches of industry are being developed successfully, has led to a burgeoning growth in the district's economic potential. And all this has been achieved under the exceptionally difficult environment of an uninhabited, waterless steppe.

The collection of articles published below discusses the set of party and economic measures for developing the Mangyshlak TPK, the successes achieved, and the urgent tasks of the 11th Five-Year Plan that the collectives of builders, operators and party and economic organizations face.

#### Party Contributions Told

Moscow PROMYSHLENNNOYE STROITEL'STVO in Russian No 3, Mar 82 pp 23-25

[Article by V. G. Savchenko, secretary of the Mangyshlakska Oblast Committee of the Communist Party of Kazakhstan: "The Accelerated Development of the Mangyshlak TPK [Fuel and Power Complex] Is a Most Important Concern of the Oblast's Party Organs"]

[Text] Comrade L. I. Brezhnev, in his report to the 26th CPSU Congress, called our regional production complex, the Mangyshlak, one of those complexes that are acquiring a growing role in the country's economy. This high-capacity regional production complex has been created in less than two decades on the vast lands of a semidesert that abuts the Caspian Sea. The example of Mangyshlak shows how intensively and on what a large scale the development of the new region's resources is changing basically the level of development, the structure of the productive forces, and the role of the region in the country's unified national economic complex.

In 1965 the first trainload of Mangyshlak crude was sent to the country's refineries. And already last year the 200-millionth ton of crude was recovered. At Mangyshlak, for the first time in world practice, the problem of desalinating sea water on a large scale was solved, the world's first industrial breeder reactor was started up and is operating reliably, and a unique "hot" oil pipeline for transporting high-paraffin crude to the Central Economic Region has been laid. The attractive city of Shevchenko has been built on the Caspian shore, and modern cities and settlements have grown up and highways and electric-power lines have been laid in a previously uninhabited district.

Today, in the nationwide division of labor, the Mangyshlak regional production complex is represented primarily by the oil-recovery, gas, chemical and fishing branches of industry and the building-materials industry. And regionally, its composition includes all enterprises and organizations located in our oblast.

The oil industry has become the core of the regional production complex, which unites its production elements into a unified whole. Each year the complex recovers more than 16 million tons of oil and 3.4 billion cubic meters of natural and casing-head gas.

Qualitative changes have occurred during the 10th Five-Year Plan in the TPK's specialization. Along with the outstripping development of the oil and gas recovery and gas-refining industries, a new branch has appeared--the chemical industry. All the Shevchenko Plastics Plant's operating capacity has been put into operation; after it is mastered, it will be one of the largest plants in Europe. Enterprises of branches of industry that are of servicing significance--electric power, the repair and the subsidiary building-materials industries, the food industry, light industry, transport and communications--have been developed.

Mangyshlak, during all stages of its formation and development, has constantly felt the attention and concern of the party and the state. Further dynamic development of the region is called for in 26th CPSU Congress decisions. This inspires the communists and all the oblast's workers, it is a powerful stimulus for shockwork, and it spurs self-discipline, responsibility and high self-sacrifice.

In view of the intensive development of the oblast's economy and the appearance of new production facilities, the establishment of stable, close-knit work collectives and the creation within them of a good moral and psychological climate and of the requisites for fruitful work are of paramount importance to us. While carrying out 26th CPSU Congress decisions, the oblast party organization is being enriched by new experience in organizational and educational work and in supervising the buildup of the economy.

At the most important facilities, where numerous collectives of diverse subordination are working, the creation of councils of the secretaries of party organizations is practiced, as is the conduct of joint party meetings of interdependent enterprises. A system of political information for workers has taken shape and is operating, and talks by supervisory workers at unified political-education day programs and by informational and propagandist groups in the working collectives and at housing have become regular. All this promotes the successful solution of economic tasks.

In carrying out the decisions of the 26th CPSU Congress and the 15th Kazakhstan Communist Party Congress, the oblast's workers have achieved new successes in development of the Mangyshlak regional production complex and in the execution of plans for the first year of the 11th Five-Year Plan. The annual plan for industrial output realization was met ahead of time (28 December), the volume of production of commodity output rose by 19.6 percent in comparison with 1980, and the goal for labor productivity growth was surpassed. All important facilities due for early startup were turned over for operation by the builders. Goals for turnover to the state of all types of livestock output were overfulfilled. Much has been done to satisfy completely the workers' social, cultural and personal-amenity requirements, and, as in preceding years, the plan for housing construction was fulfilled.



During the current five-year plan, tasks that are more complicated and larger in scale than formerly face the oblast's party organizations and all workers' collectives. The oblast party organization is working persistently to accelerate development of the Buzachi Peninsula oilfields and to bring oil recovery here up to 5-6 million tons by the end of the five-year plan. Simultaneously, a set of measures is to be accomplished for maintaining a high level of recovery at the "old" fields of Uzen' and Zhetybay.

It was pointed out at the 26th Party Congress how enormous are the possibilities for increasing oil recovery that are to be found by increasing oil-formation productivity. Almost all the known methods for increasing the amount of oil recovery known to world practice are being used at Mangyshlak, but their effectiveness still is not adequate. The creative efforts of production workers and scientific organizations have been mobilized for the solution of this problem.

Party committees are guiding the communists and all oil-enterprise workers in the improvement of well-drilling technology, where we are having many difficulties. Drilling is the most capital-intensive production activity, expenditures on which comprise almost half of the capital investment specified for developing the oil industry. A large part of it goes to plugging cement, chemical reactants and weighting materials that we import from thousands of kilometers away. The goal is to reduce these expenditures through the economical and efficient use of material resources. At the same time, one of the ways is to develop local deposits, which make available substantial reserves of barite-containing ores and palygorskite clays.

It is planned that the oblast's recovery of oil and gas condensate will reach 18 million tons in 1985. All the growth will be obtained through the accelerated development of the new fields on the Buzachi Peninsula.

During the current five-year plan, Mangyshlakneft' Association drillers are to drill 3,900 development wells, or about double the number of the 10th Five-Year Plan. High goals have been set for the oilfield workers for 1982: they are to recover more than 16.5 million tons of oil and gas condensate--almost 1 million tons more than in 1980. Natural and casing-head gas recovery will be 3.3 billion m<sup>3</sup>. It is necessary to drill through 900,000 meters of rock and to construct more than 500 developmental and explorational holes.

Such large tasks require an intensification of organizing work by party committees and an improvement in methods for party monitoring of fulfillment of the planned tasks. We realize that success of the matter will depend greatly upon political support of the economic decisions. In speaking about work on the buildup of oilfield facilities, drilling and the introduction into operation of new wells, the wide introduction of progressive methods for increasing total withdrawal, the repair of wells and the conversion of wells to more effective methods of operation--in all questions, education about responsibility for the assigned task takes first priority in all questions for party organizations. Moreover, carrying out the assigned tasks depends not just on oilfield workers. Workers of other oblast enterprises and organizations--builders, power engineers and automotive transport workers--are involved in it to one degree or another. Insuring unity of action of these and other collectives in achieving the final goals also is of concern right now to the oblast party organization.

A major role in the integrated development of our district has been assigned to the Kazakh Gas Processing Plant. Along with insuring full utilization of casing-head gas, it is to provide raw material--ethane--to the plastics plant and to help get oil from the ground by the least expensive method--gaslift. Therefore, the party oblast committee attributes great importance to the activities of this collective. Thanks to the measures that were adopted in timely fashion during the rebuilding of the compressor department, the gas processing plant has gone to full production capacity for treating gas--1.5 billion m<sup>3</sup> per year. Measures are being taken to raise further the effectiveness of refining gas and to increase the extraction of the necessary components from it, and the execution of these measures has been taken under monitoring by party organizations.

Party work experience indicates that the replacement of managerial personnel while solving production questions does not in the long term yield stable, positive results. On the contrary, this practice engenders irresponsibility and dependency. That is why we persistently are implementing experimental forms of specific and daily party supervision of the development of the various industries and of the TPK as a whole.

Such forms of work as the creation of staffs for the coordination of party, political, organizational and economic work are becoming a practice of party committees. Those staffs that were created during development of the Buzachi Peninsula fields and construction of the Shevchenko Plastics Plant have justified themselves.

City and rayon party committees are strengthening the party nuclei of the worker collectives of enterprises that recover crude, and they are paying great attention to the correct assignment of communists to decisive production sections and to the reception into the party of workers of the leading vocations. Today one out of six crude-recovery operators and one out of five drillers are communists. Much is being done to develop the brigade form of organizing work, with evaluation in accordance with the final results of the collective's work.

One of the basic elements of the Mangyshlak TPK is agricultural production. Mangyshlak right now is producing the cheapest mutton in the republic and the greatest amounts of valuable camel's hair and high-quality karakul astrakhans. A substantial increase in the production of all types of livestock and a reduction of the prime cost thereof are hampered greatly by a weak feed base. The opinion has been inbred that Mangyshlak must import feed from other parts of the republic each year. We consider that we have the potential not to be parasites. The problem can be solved, using water of the North Aktau artesian basin for irrigation. Of course this is fraught with definite difficulties and capital costs, but indeed are we not spending substantial funds to ship hay thousands of kilometers?

Further development of the complex is governed primarily by the scale of capital construction. It goes without saying that everything that has been created and that is operating in the oblast was created in the first place by the builders' hands, and we have a right to be proud of them. At the same time, it cannot be said that the existing base for construction and construction-industry enterprises and the capacity thereof meet fully the ever-rising needs for developing the economy of the regional production complex. Because of this, it is necessary to create a high-capacity Minneftegazstroy [Ministry of Construction of Petroleum and Gas Industry Enterprises] installing and construction association on the basis of the existing Mangyshlakneftegazstroy [Mangyshlak Trust for the Construction of Oil and

Gas Industry Enterprises] and to greatly strengthen the construction organizations that are building in the countryside and are constructing facilities for housing and for social, cultural and personal-amenity purposes in the oblast center--the city of Shevchenko.

The problems of developing the Mangyshlak Regional Production Complex were discussed in detail at a practical-science conference that was held recently in the city of Shevchenko, where recommendations were made about the integrated use of the peninsula's riches and about directions for developing industry, transport and communications, and geological exploration and prospecting and for making social transformations. Much now depends upon the coordinated work and the step-by-step solution of the contemplated program by planning organs and the interested ministries and agencies.

"The Basic Directions," which were approved by the 26th CPSU Congress, specified: "Expand geological exploration for oil and gas in West Kazakhstan and speed up development of the oil fields on the Buzachi Peninsula." The oblast party organization is mobilizing the creative efforts of all worker collectives for the solution of these tasks and is supporting unconditional fulfillment of 11th Five-Year Plan tasks. The successes of the Mangyshlak workers that were achieved last year are a good base for fulfilling the tasks of the five-year plan as a whole.

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#### Future Needs

Moscow PROMYSHLENNOYE STROITEL'STVO in Russian No 3, Mar 82 pp 25-27

[Article by O. I. Zheltikov, First Deputy Chairman of Kazakh SSR Gosplan: "The Prospects for Forming and Developing the Mangyshlak Regional Production Complex"]

[Text] Given the modern scale of the national economy, an indispensable prerequisite to further development of it is a concentration of forces and resources on the decisive areas of economic development. A concentration of forces and resources to cope with major national, interindustry and regional problems makes regional production complexes (TPK's) possible. The country's regional economic structure right now is represented by a system of TPK's.

The Mangyshlak Regional Production Complex takes part in the national and republic division of labor, primarily with the oil-recovery, gas, chemical and fishing industries. Oil production has become the basic industry that determines the TPK's specialization. Each year the TPK recovers a substantial amount of oil and gas, 342,000 m<sup>3</sup> of coquina, 35,300 tons of fish, and so on.

In a relatively short period new oil fields on the Buzachi Peninsula, the Karazhanbas-Shevchenko oil pipeline, a plastics plant and many other facilities were built up and put into operation. Labor collectives were formed, and economic ties with other regions of the republic and the country were strengthened. Each year the cities of Shevchenko, Novyy Uzen' and Fort Shevchenko and the urban-type settlements of Yeraliyev, Zhetybay, Mangyshlak, Shetpe and Beyneu are becoming increasingly attractive.

Today, in scale of development, Mangyshlak is an industrial region of national significance.

Oilfield workers, geological explorers, builders, and workers of agriculture, transport and other branches of the national economy are waging a persistent struggle to raise the effectiveness of social production and the quality of output.

During the last five-year plan the oblast met ahead of time the goals for volume of realization of industrial output. It sold more than 300 million rubles' worth of output above the plan. The generation of electricity grew by almost 24 percent, and the recovery of gas condensate increased 6 percent. The output of repair and auxiliary enterprises and building-materials production increased, the fixed capital of sovkhoses rose by almost 60 million rubles, the availability of power to the countryside was raised, and agriculture's tractor and farm-machinery fleets were almost completely updated.

A substantial step was taken in the solution of social tasks. The average monthly wage for blue-collar and white-collar workers employed in the national economy rose. Capital construction was performed on a large scale. Hundreds of facilities for production, social and cultural purposes and 810,000 m<sup>2</sup> of total housing space were introduced into operation.

These successes were the result of major organizational and political work of the oblast, city and regional committees of the party and of primary party organizations, soviets of workers' deputies, economic managers, ministries and agencies, scientific institutions and design organizations.

Thanks to development of the natural riches of Mangyshlak, Kazakhstan is in second place among Union republics in oil recovery, and the complex itself has acquired a sharply delineated specialization. The better-known oil and gas fields are the Uzen', Zhetybay, Karazhanbas and Kalamkas.

The first capacity of the Shevchenko Plastics Plant, which became one of the largest in Europe after the completion of construction, has been put into operation within the TPK.

An important element of the complex is the Mangyshlak Power Combine, which supplies electricity to the whole peninsula, fresh water and process water to many cities and settlements, and heat to the city of Shevchenko and the Mangyshlak and Umirzak settlements.

Along with the leading branches that shape the complex, the branches of the production infrastructure that service the economy and the populace are being developed, as are the branches of the nonproductive (social) sphere that are called upon to satisfy the workers' cultural and personal-amenity needs. Among the branches that service production and accelerate the shaping of the TPK's economy are the repair enterprises.

In the concluding year of the 10th Five-Year Plan, the output of the TPK's auxiliary and repair enterprises was 10.5 million rubles. The group B industries are represented by the fishing, meal, milk, pastry and breadbaking industries, light industry, and local industry.



During the 10th Five-Year Plan the oblast's builders put new fixed capital into operation, large amounts of capital investment were assimilated, and hundreds of millions of rubles' worth of construction and installing work was done. The largest amount of construction work was performed at facilities for recovering, processing and transporting the output of the oil, gas and chemical industries and at facilities for social, cultural and personal-amenity purposes. Construction in the countryside is being pursued on a broad scale.

The broad economic ties of the complex's building-materials industry enterprises with other parts of the country are sharply reflected in development of the transport complex. Right now that complex is represented by rail, motor-vehicle, pipeline, maritime and air types of transport.

Road construction was performed under conditions of unprecedented difficulty. The complex's road network is more than 2,000 km long and more than half of it is hard-topped.

A ramified pipeline grid--the Uzen'-Beyneu-Gur'yev-Kuybyshev, Uzen'-Zhetybay-Shevchenko and Kalamkas-Karazhanbas-Shevchenko oil pipelines--has been created for delivering recovered oil to the places where it is refined, and the Central Asia-Central Economic Region gas pipeline has also been built. Pipeline transport is not fully loaded with oil and gas being pumped. Therefore, one of the strands of the Uzen'-Kuybyshev oil pipeline is now being used to deliver water from the Volga (in the Kuybyshev area) to Uzen'.

The 26th CPSU Congress pointed out ways for further developing regional production complexes, including Mangyshlak's. The congress's decisions stated: "Develop the oil-recovery industry in regions of West Siberia and the Kazakh SSR regions at a higher pace....Expand geological prospecting for oil and gas in West Kazakhstan and accelerate development of the oilfields on the Buzachi Peninsula." A major program for increasing oil recovery in West Kazakhstan has been planned in accordance with these instructions.

As is well known, the main growth in the republic's oil recovery that is envisioned is to be obtained by developing the new fields of the Buzachi Peninsula. No little has been done here, but much more remains to be done. In order to bring these fields up to the maximum level of recovery, it is necessary, in a short time, to drill several thousand meters of developmental and injection wells, to construct hundreds of facilities for gathering and transporting the crude, and to accelerate the testing of such methods for increasing the formation's productivity as steam-heating stimulation, the creation of a moving combustion front and modifications thereof, and displacement of the oil by micellar and polymer solutions. A large amount of work is also to be done to build up the facilities at the new oilfields.

In order to develop the complex successfully, urgent measures should be taken to insure normal operation of the plastics plant and the delivery thereto of adequate amounts of raw materials.

There are serious deficiencies also in the work of the rail, automotive and maritime transport complex. The railroaders still are not sending enough cars for loading. There are many flaws in the work of the Mangyshlak Operations Administration of Minavtotransport [Ministry of Motor Transport]. The vehicle fleet's utilization factor was very low last year, and productivity per rated tonnage was 59.4 percent. Maritime port operation is hampered by an inadequate number of pallets

for transporting coquina. The Ministry of Building-Materials Industry should solve this problem. In order to increase freight and passenger haulage by maritime routes, it obviously is necessary to design and build a new dock for loading crude and a new passenger facility at the city of Shevchenko.

There are also many unsolved problems in capital construction. In 1980 the plan for construction and installing work in the region was carried out by only 90.2 percent, for the introduction of fixed capital by 56.1 percent. Capital investment was assimilated by 93 percent.

Since 1978, the main technical and economic indicators for construction organizations have remained unchanged. There has been no appreciable increase in the introduction of capital, the assimilation of capital investment, and amounts of construction and installing work performed, or in the rise in labor productivity or growth of yield on capital or profit. One cannot be reconciled to such a situation.

Definite work has been done in the oblast to create a supply and equipment base for the branch. However, the capacity of the construction industries lags greatly behind the annually rising amounts of capital construction. For example, trusts that build agricultural and water-resources facilities do not have enterprises for production of the main mix of construction structure and articles and of building materials, or bases for equipment repair. Therefore, almost all the reinforced concrete and basic building materials must be imported from other oblasts in the republic.

Because of the TPK's shortage of housing and children's preschool institutions, a severe shortage of construction workers is being experienced, and this is being felt especially in the countryside. Such a situation has been created in Mangyshlaksel'stroy-12 [Mangyshlak Rural Construction Trust No 12]. And it is not accidental that it does not fulfill the construction-and-installing operations plan.

The rich Zhetybay deposit of coquina is on Mangyshlak. A production association for producing wall and facing materials made of coquina has been established and is operating on the basis of it. This material has been appraised highly by builders. Structures built of it are distinguished by longevity and attractiveness. Many specially built buildings in Moscow, Leningrad, Alma-Ata, Shevchenko and some other cities have been faced in varicolored slabs made of limestone coquina.

Work is being done to expand the Zhetybay quarry of the republic's Minpromstroymaterialov [Ministry of Building Materials Industry], which will be put into operation in 1982-1983 with a capacity of 120 million standard-equivalent units of brick of small dimensions, 36,600 m<sup>3</sup> of large facing blocks, and 50,000 m<sup>2</sup> of facing slab.

In 1980 Kazmezhkolkhozstroy [Kazakh SSR Interkolkkhos Construction Trust] turned over the first phase of the quarry at the Kzyl-Turan deposit with a capacity of 150 million standard-equivalent brick units of wall blocks made of coquina.

This valuable building material is being quarried by USSR Mintransstroy [Ministry of Transport Construction] and USSR Minneftegazstroy [Ministry of Construction of Petroleum and Gas Industry Enterprises].

Development of the TPK raises a number of priority tasks, including that of providing the population with foodstuffs, including the task of studying the potential

for developing agriculture within the oblast. This concerns especially the production of food that is poorly transportable and is perishable--vegetables, milk and eggs.

The development of the TPK's production forces is inseparably connected with the water supply. Sources for supplying water to the populace, industry and agriculture are the batteries of distillers of the Mangyshlak Power Combine, the Kungrad-Beyneu-Makat water pipeline and the Beyneu-Novyy Uzen' branch, and underground water of the Tyuyesu, Sauskan, Samskoye, Severo-Aktauskiye, Baskudukskoye, Cape Peschanyy, Katyk, Vostochnyy and Zapadnyy Karatau and Kzylkum fields. For industrial purposes, water that comes over the Kuybyshev-Novyy Uzen' water pipeline is used, and Caspian water is used for waterflooding of oil formations. But already now, the water resources do not satisfy the complex's requirements, and this hampers further development of its productive forces.

Despite the limited amount of these resources, the uneconomical use of water is occurring: substantial amounts of Amudar'ya water are lost on the Kungrad-Beyneu section of the water pipeline, especially in the city of Novyy Uzen'. Because of the unsatisfactory state and poor capacity of the purification structures, waste water is not being used in adequate amounts. The Kungrad-Beyneu water pipeline does not operate at full capacity: instead of collecting 78,000 m<sup>3</sup> per day, as called for by the startup minimum for the first phase, only about 50,000 m<sup>3</sup> are collected from the Amudar'ya.

The TPK can be provided completely with water by using the water resources of neighboring water-supplying regions. The most realistic way to solve this problem in the long term is to transfer part of the discharge of the volga, Amudar'ya and Ob' rivers, with minimal harm to their basins. In order to eliminate the water shortage, much can and must be done today. In particular: introduce the Kungrad-Beyneu water line at full design capacity to divert up to 137,000 m<sup>3</sup> of water per day from the Amudar'ya and to deliver 50,000 m<sup>3</sup> of it to the city of Novyy Uzen'; increase the capacity of the distilling installations at Shevchenko, putting additional batteries into operation; use more completely the underground water of the oilfields that are being developed; expand the capacity of the purification installations with a view to making repeat use of industrial and sewer water for industrial needs, for watering green plantings and for irrigation; and cease the discharge of polluted water into the sea.

Development of the TPK gives rise to a substantial growth of power consumption, because of which it is planned to erect the Mangyshlanskaya GRES. The first two units, of 210,000 kw capacity each, are to be introduced during this five-year plan, and a third such unit during the next plan period. Completion of construction of the station will enable the generation of electricity to be increased by 1,343 kw-hr over 1980.

For purposes of transmitting and distributing electricity, the further development of power transmission lines is needed. It is planned to add a second strand to the existing Shevchenko-Novyy Uzen' 220-kV LEP [power transmission line]. Doing so will enable the power supply for the gas-treatment plant and other enterprises to be improved. Also planned is the construction of a Novyy Uzen'-Bekdash power line. Lines of 110 and 35 kV also should be further developed.

With a view to making rational use of fossil fuel, it is desirable to develop power engineering, expanding the Shevchenskaya Nuclear-Power Station.

In order to raise the reliability of the power supply to customers over the long term, the construction of a Gur'yev-Beyneu-Shevchenko 500-kV LEP and the establishment of an intersystem of the Gur'yev power center with the Aktyubinskoye power centers and with the Astrakhan' 500-kV power transmission lines should be called for.

Rail haulage of freight will grow systematically. So thought must be given right now to increasing the mainline throughput by rebuilding two-way insertions and second-phase passing sidings.

Development of the region's productive forces is causing growth in automotive freight haulage, which, according to computations, will in 1985 exceed the 1980 level 1.3-fold. In so doing, the share of freight haulage by common-carrier motor transport will increase from 63 percent in 1980 to 83 percent in 1985. Simultaneously, the truck fleet will be increased, mainly with large-capacity vehicles. Because of this, the desirability of creating automotive repair enterprises here should be determined.

The high level of development of the TPK's material production requires the creation here of a whole complex of branches of the nonproduction infrastructure, which will insure a sufficiently steady growth in people's living conditions, thus also promoting the recruiting and the retention of labor resources. The approach to development of the services-sphere branch in an industrial region that is being developed rapidly meets precisely the requirements in this area that were advanced by the 26th CPSU Congress in the matter of raising the people's welfare.

Housing services can be included among the more developed of the nonproductive branches in the region. In the past decade the provisioning of well-appointed housing in Novyy Uzen', Shevchenko and other cities and workers' settlements of the region has improved greatly. At the same time, housing-construction plans are not being carried out, a situation that is completely intolerable.

Not everything has been done in the region to improve medical, personal-amenity, shopping, cultural and municipal services for the populace. Much remains to be done also to improve the use of labor resources. In particular, several thousand people of the oblast's unemployed can be involved fully in the economy. However, the overwhelming portion of them do not have the vocational education and have not been trained for work in industry. Therefore, the training and retraining of personnel primarily should be intensified. Special attention must be paid to the construction of children's preschool institutions, in order to involve women in the work force more widely. Moreover, the economic structure of the branch must be improved to take demographic factors into account.

In examining the process of establishing the Mangyshlak TPK, a lack of integration in development of the main branches that are shaping the economy calls attention to itself. As a matter of fact, the complex has at its disposal oil-recovery, gas-processing and chemical-industry enterprises, but it lacks some of the important connecting links--oil refining and petrochemicals, although the prerequisites for their development exist.

In his speech to the 26th CPSU Congress, Chairman of the Kazakh SSR Council of Ministers B. A. Ashimov emphasized: "Oil that is being recovered on the Buzachi Peninsula is unique in composition, but it is being refined in unintegrated fashion, only an insignificant portion of light petroleum product is being obtained



from it, and many components are leaving in firebox mazut. Because of this, it is believed that it is desirable to build in the city of Shevchenko enterprises for the intensive refining of Buzachi crude, using an extraction technology that includes a valuable metal--vanadium, and also a technology for obtaining raw materials to supply the large plastics plant has gone into operation here, thus enabling the country's polystyrene production to be almost doubled.

The question of using waste brine from distilling installations, especially in conjunction with the problem of assimilating the riches of Kara-Bogaz-Gola, is not without interest.

The Mangyshlak Regional Production Complex still has not been established with finality. As has already been noted, it lacks elements for oil refining and for producing final types of output, some auxiliary and service-type branches still are not adequately developed, and there are definite difficulties in creating and developing them. Many problems will be solved within the next few years. As CPSU Central Committee General Secretary and Chairman of the USSR Supreme Soviet Presidium Comrade L. I. Brezhnev pointed out: "The 11th Five-Year Plan should fully embody the party's economic policy and incorporate the latest achievements of economic, scientific and engineering thought and all our experience." There is no doubt that the ministries and agencies of our country and the republic will do everything possible for further development of the region.

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#### Remedial Measures

Moscow PROMYSHLENNOYE STROITEL'STVO in Russian No 3, Mar 82 pp 27-28

[Article by K. B. Isentayev, candidate of economic sciences and chief of the Regional Planning and Distribution of Productive Forces Section of Kazakh SSR Gosplan: "The Paramount Tasks of Effective and Integrated Development of the Mangyshlak TPK [Regional Production Complex]"]

[Text] It is known that interindustry production-process complexes, on the basis of which a whole system is formed, form the base of the activity of regional production complexes. As a rule, intrabranch and interbranch complexes are formed on the base of intensifying the processing of raw materials and the output of products of ensuing production-processing cycles.

Mangyshlak is becoming a major industrial region of the country, which furnishes crude oil, gas, plastics, coquina, fish and many other items to the country. The establishment of a regional production complex here is accompanied by the development of new cities--Shevchenko and Novyy Uzen' and the urban-type settlements of Beyneu, Yeraliyev, Shetpe, Mangyshlak, Zhetybay and Uzen'. The Mangyshlak TPK, whose enterprises--those operating and those under construction--have been joined by common sources of raw materials, is participating in the national division of labor with the oil and gas recovery and gas-treatment branches. The share of these branches in the total volume of gross output of the complex's industry is 80 percent. The recovery of crude here is extremely effective economically--the prime production cost per ton is lower than in a number of the country's other regions. The oil, gas and chemicals complex, which includes the recovery of oil and gas, gas processing and the production of plastics and plastic articles, promotes

solution of the problem of further integration of the branch. Development of the chemical industry--a new branch of specialization in the complex--is associated with the introduction into operation of the first phase of the plastics plant at Shevchenko.

In determining the paths of further development of the oil-recovery and the oil and gas refining industries and of the production facilities associated with them at the Mangyshlak TPK, the peculiarities of the new oil and gas fields (of the Buzachi Peninsula, the Caspian Sea shelf, and Paleozoic deposits), whose crude oil is different in its characteristics from the oil of well-known fields of West Kazakhstan, should be taken into account. For more complete use of all the components of Buzachi oil, which is unique in its composition, it is desirable to construct in Shevchenko an enterprise for intensive refining of it. Introducing such a plant into operation would allow not only greater depth and integration in the branch's refining of raw materials but also the solution of questions of integrated development of the TPK, the improvement of its branch structure, and further integration of the branch in a technologically consistent cycle of recovery and refining of raw material, which would enable conversion in the long term from the current predominant specialization in raw materials (the recovery of crude oil and gas) to diverse production specialization. The construction of a plant for refining crude intensively at Mangyshlak will solve the problems of providing the Shevchenko Plastics Plant with raw material and of satisfying the needs of the region for petroleum product, eliminating enormous expenditures for transporting product from other parts of the country. In so doing, other problems of no small magnitude also will be solved--organization of the extraction of paraffin from the crude of Uzen' and Zhetybay fields locally and the creation of production facilities for a new area--for the output of protein and vitamin concentrates, synthetic detergents and other things. And, as a result, the need for expensive preheating of the crude in order to transport it over the Novyy Uzen'-Kuybyshev pipeline would disappear.

As calculations indicate, a combining of the oil, gas, chemical and microbiologicals industries would reduce capital construction expenditures by 25 percent, operating expenditures by 40 percent.

The desirability of refining Mangyshlak oil locally is confirmed also by the geography of the long-term consumption of petroleum product, taking into account changes in the fuel-balance structure, including the expected growth of petroleum-product consumption in the region. Improvement of transport ties in the future also should be considered. Finally, it is necessary to consider the requirements of the developing petrochemical industry of Kazakhstan for raw materials and of the electric-power engineers of West Kazakhstan for fuel. Not only West Kazakhstan but also Astrakhanskaya Oblast and the Kalmytskaya ASSR of the Russian Federation, the Karakalpakskaya ASSR and Khorezmskaya Oblast of Uzbekistan, the northern regions of Turkmenia, and other areas can be viewed as possible consumers of Mangyshlak's oil-refining products. Everything that has been said indicates the necessity for a feasibility study of the desirability of refining locally part of the oil recovered at Mangyshlak.

Important reserves for raising the effectiveness of developing Kazakhstan's oil and gas industry, including Mangyshlak's, are a reduction in the time and social labor spent exploring oil and gas fields and achievement of the required interrelationships between the recovery of the raw material and preparation of the reserves thereof. Insuring high geological and economic effectiveness of geological

exploration is linked with the introduction of new methods for prospecting (integrated aerospace and direct geophysical and geochemical prospecting), the mastery of offshore drilling, with pilot prospecting for nonanticlinal-type traps (reefs, lithological deposits) and the selection of scientifically substantiated areas for prospecting and exploration. It is proposed to obtain a substantial portion of the growth in oil and gas reserves within the Mangyshlak TPK over the long term from the Kazakh shelf of the Caspian Sea. Computations indicate that the cost of preparing reserves in the water area will be lower than in Azerbaijan and Turkmenia. The expansion in prospecting and geological exploration in forthcoming years not only for oil and gas but also for other useful minerals will be of great significance in the more effective, integrated development of Mangyshlak's productive forces and in the creation of a reliable mineral raw-materials base.

Contemplated measures for developing services, auxiliary production activities and the nonproduction infrastructure also should help to raise the complex's effectiveness. The necessity for more intensive development of these branches is brought about by the special, difficult natural and climatic conditions of Mangyshlak and the definite isolation occasioned by its geographical location.

The developing economy of Mangyshlak requires the further improvement of transport. The construction of new highways and the reconstruction of existing ones are necessary. Further development of communications on Mangyshlak also is required. A special question for Mangyshlak is water supply, which can be improved in two ways--by increasing the distillation of seawater, and by delivering water from other regions, particularly from the Volga over the Uzen'-Kuybyshev oil pipeline, which is being done already. Apparently, the amount of water delivered over this pipeline must be increased, and it must be purified in order to deliver purer water to Mangyshlak.

The Mangyshlak TPK should, in the long term, participate in the production of consumer goods. There are great possibilities for this purpose--wastes have appeared at the Shevchenko Plastics Plant, and there are local materials--varicolored coquina, wastes from cattle processing, and so on. And questions of development of the foodstuffs complex also require solution.

Effective functioning of the social infrastructure on the peninsula can be insured only with greater acceleration in development of the production sphere. As never before, stable living conditions should be created at Mangyshlak in order to make up for work-force losses and for purposes of education and raising qualifications. In so doing, it should be considered that the TPK's requirement for labor resources up until now has been satisfied basically through immigration. But in recent years an outflow of people from certain regions of the TPK has started, with the creation of a corresponding shortage of labor resources, which is explained partially by the inadequate level of integrated services for the populace, which help to retain personnel. A definite disproportion in providing the populace with facilities for social, cultural and personnel-amenity purposes is observed.

Solution of the indicated questions will depend greatly upon the pace of capital construction. The capacity of Mangyshlak's construction organizations does not correspond to the growing demands for development of the TPK. It is necessary to work out special measures for developing a capital construction base and for creating adequate capacity for on-time construction and introduction of all facilities of the production and nonproduction spheres.

During the 11th Five-Year Plan measures are planned for strengthening the production base of construction organizations and for promoting building-materials industry enterprises. The housing-construction combine in Shevchenko is being restructured and converted for purposes of producing improved series of apartment houses. The construction-industry base for Minneftegazstroy [Ministry of Construction of Petroleum and Gas Industry Enterprises] enterprises is being rebuilt and developed, and a base for the rural builders is being established. Work is being done to expand the output of wall and facing materials made of coquina from the unique Zhetysbay field. It is planned to build a brick plant in the Shetpe region. The pace of construction of facilities for nonproduction purposes is being increased. It is planned to introduce into operation general-education schools for 10,300 students, kindergartens and nurseries for 5,600 children, hospital institutions rated for 1,200 beds, and a number of other facilities.

Mangyshlak is becoming a region where the economy and culture are being developed intensively, capital construction is going on at an accelerated pace, and attractive cities and settlements are rising up. Steps must be taken to insure that these cities and settlements will be distinguished by special attractiveness, having their own individual faces, which characterize their specifics. For each city and settlement on Mangyshlak is being developed on the basis of a special urban-development element, and this should find expression also in its architecture. The creation of zones of green plantings, parks, squares and a local base for dairy products and fresh vegetables is of great importance. Everyone who lives under these complicated climatic conditions needs the requisite comfort and good services.

The integrated solution of all the problems examined will promote a further rise in the effectiveness of developing the Mangyshlak TPK, in light of the tasks set by the 26th CPSU Congress.

UDC 665.6:69

#### Construction's Role

Moscow PROMYSHLENNNOYE STROITEL'STVO in Russian No 3, Mar 82 pp 29-30

[Article by M. Khusnutdinov, Deputy USSR Minister of Construction of Petroleum and Gas Industry Enterprises: "The Motherland Needs West Kazakhstan's Oil Riches"]

[Text] Not so much time has passed since the first tanker cast off from the oil-filling platform of the Shevchenko port on the Mangyshlak Peninsula, carrying in its holds the first 5,000 tons of "black gold." The oil had been recovered in the Buzachi region and delivered to the loading point over a new oil-transport arterial erected by a Minneftegazstroy [Ministry of Construction of Petroleum and Gas Industry Enterprises] organization.

The oil-transport system, which includes the Kalamkas-Karazhanbas, Karazhanbas-Tauchik and Tauchik-Shevchenko arterials, has been extended for hundreds of kilometers, crossing the Buzachi and Mangyshlak Peninsulas. It was erected on time, outstripping the norms by far. The work was carried out in unison: the means for electrochemical protection, large pump stations, heat-exchange and preheating installations, roads, housing settlements and communications lines were put into operation together with the pipelines, and the facilities at the fields were built up.



Large oil-industry enterprises at Buzachi, which are a component part of the Mangyshlak Regional Production Complex and the intensive development of which was planned by the 26th Party Congress, are important construction projects of the industry in the North Caspian. The best collectives of Mangyshlakneftegazstroy [Mangyshlak Trust for the Construction of Oil and Gas Industry Enterprises], Sredazneftegazmontazh [Central Asian Trust for the Erection of Oil and Gas Industry Facilities], Sredazneftegazstroy [Central Asian Trust for the Construction of Oil and Gas Industry Facilities], and Shatlykgazstroy [Trust for the Construction of Gas Industry Facilities] and other organizations that are operating in the region, were sent here.

Advanced workers in the competition have achieved a high pace in and high quality of construction and installing work, both in linear construction and in the buildup of facilities at the oilfields and the erection of other surface facilities. The builders have completed an authentic labor achievement, having opened up the road for the "black gold" of the new oil-bearing region to petroleum refineries in the western and central parts of the country. This was done under the most difficult of conditions.

Yes, conditions in the Mangyshlak Regional Production Complex area are difficult, to say the least. It is not easy even to choose an appropriate epithet for the environment in which the builders have managed to live and work. These are characteristic of the region: there are no rivers and the peninsula is, for the most part, a barren, dry steppe that is hilly in places, with salt-marsh lakes. In addition to that, the climate is sharply continental. This means debilitating heat and hot hurricane winds in the summer and sand-and-snow blizzards and cold that reaches -40 degrees in the winter.

While building the pipeline system, a number of complicated technical problems were solved. High-capacity preheating installations that allow dependable passage of the hydrocarbon raw materials and of fuel to the customers were created and introduced.

The first stage in developing the oilfields has been completed, but the construction project continues. "The Main Directions for the Economic and Social Development of the Country During the 11th Five-Year Plan" states: "...speed up development of oilfields on the Buzachi Peninsula." And these are important elements of the Mangyshlak Regional Production Complex. Ahead is truly gigantic work to execute planned tasks, which are called upon to greatly increase West Kazakhstan's fuel and power potential.

The rapid pace of the assimilation of the Mangyshlak's natural wealth is the result of the party's and the government's great concern about developing productive forces and about a blossoming of the country's economy. New principles of planning and economic incentives and the party's measures for improving management have opened up wide horizons before the pioneers of Mangyshlak and Buzachi and are helping the growth of the people's creative initiative. And, glancing ahead at tomorrow, in planning the progress of forthcoming operations, we naturally do not forget about the experience of past years, and we take into our armory everything valuable gained by the production collectives that know how to reduce standard construction periods under the most difficult conditions.

I want especially to pay attention to the organizational aspect of the matter. Again and again my memory returns to that period when, despite all the efforts of the various working elements, the pace of work on the route and the building up of the fields' facilities were held back markedly in their growth and an absence of unity in the work of various agencies was noted. Everyone understood the general task, but the paths to its fulfillment were varied.

Studies were completed for the development of a document completely new for us--a decree of the Bureau of the Mangyshlak Oblast Committee of the Kazakhstan Communist Party, the Executive Committee of the Mangyshlakska Oblast Soviet of People's Deputies, and the Board of the Ministry of Construction of Petroleum and Gas Industry Enterprises, "On Additional Measures to Insure the Introduction into Development of the New Oil Fields on the Buzachi Peninsula of Mangyshlakska Oblast." It served as an organizational beginning for the collectives of builders, installers and operators.

The decree covered in integrated fashion all aspects of the problem of developing the underground riches: it defined accurately the prerequisites for introducing facilities for Buzachi ahead of schedule--roads, power lines, electric-power substations, water lines, gas pipelines, oilfield-facility structures, the Kalamkas-Karazhanbas-Shevchenko trunk oil pipeline, oil pumping stations, housing and facilities for social, cultural and personal-amenity purposes. This document called for measures that had to be carried out by oblast organizations. There were, for example, these clauses: allocate local building materials for the buildup of the fields' facilities; assign workers for the strengthening of construction organizations; provide for an uninterrupted supply of food and of the necessities for all the temporary rotating-personnel settlements and for round-the-clock feeding of workers during the construction of oil pipeline and oilfield facilities.

Concreteness and expeditiousness characterized the planned measures. Of help here was the fact that, prior to approving them, we discussed each clause with the communists of the oblast organizations and the managerial workers, and the more important clauses were discussed in the labor collectives. Oblneftesnab [oblast petroleum-product supply administration], the oblast's motor-vehicle administration, obltorgupravleniya [oblast trading organization], oblsel'khoztekhnika [oblast agricultural equipment association] and the Mangyshlak Aviation Enterprise approached compilation of the measures with an understanding of the importance of what had been planned. Here they accurately figured the reserves and capabilities, established strict monitorship over fulfillment of the measures, and constantly listened to responsible comrades. If the managerial workers were not able to do something, the party organizations or the soviet organs extended assistance to them. Of course they did not replace the managerial workers, they did not engage in details, which often fell upon our shoulders, and they operated with their own methods and means. And, it must be said, very effectively. In a short time the builders of the oil pipeline went onto the schedule, they promoted work on erection of the Kalamkas oil pumping station, facilities of the Kzylkum fresh-water field were built up: put into operation, and the delivery of reinforced-concrete structure to the site was speeded up. And other lagging sections were tightened up.

The 300-km Shevchenko-Karazhanbas-Kalamkas road between the operating fields became the "road of life" on the Buzachi. This most important facility was built in a short time by the collective of the Kazakh SSR Minavtodor [Ministry of Highways] road-building trust. Machinery, equipment, building materials, structure and

housing have been going in a continuous stream over the new road, putting an end to the lack of roads at Buzachi. A no less important task was that of providing the peninsula with electricity. A LEP-220 [220-kV power transmission line] between Shevchenko and Kalamkas was put into operation. Two power substations and power transmission lines to the oilfields have been built. Oblast organizations allocated the necessary materials, transport and worker personnel for these jobs.

There is no fresh water on the peninsula. To bring it in by tank car is expensive and unreliable. Permanent stationary water-supply sources were needed. Tens of wells were drilled in the desert and electric power was brought to them. All the sections of construction have now been provided with the life-giving moisture.

The oil-pipeline pump stations are being erected in outfitted-module versions. There are no local building materials on Buzachi, so reinforced concrete, brick, cement and so on are imported. Doing so is not economical. It was necessary to organize at industrial enterprises the manufacture and prefabrication of box modules, to ship them to the sites, and to erect the pump stations on the basis of them. The prefabrication of box modules at oblast enterprises was organized at the initiative of the CPSU oblast committee and the oblast executive committee.

All these measures were carried out by the deadlines called for by the joint decree.

The bureau of the party's oblast committee and the executive committee of the oblast's soviet of people's deputies have been constantly interested in the state of affairs in construction. Members of the bureau, the ispolkom and Minneftegazstroy met regularly to discuss various urgent questions, to find ways that would allow the pace of construction and installing operations to be speeded up. The party's rayon committees and the executive committees of the rayon soviets, the party committees, and the primary party organizations were involved in the execution of what had been planned. The Kazakhstan Communist Party Central Committee and its secretary extended assistance to us daily. And not just in solving managerial or organizational tasks. Ideological-education work was brightened up in the construction sections, and lecturers, propagandists and agitators, writers and poets, artists of the theater and amateur performers went out to the pipeline-route workers.

The joint efforts and coordination of the actions of party and soviet workers and economic supervisors bore good fruit. The Mangyshlakneftegazstroy collective prepared the necessary work front for erection of the oil and gas gathering installations, the booster pump stations, the oil-gathering grids and other facilities for the subcontracting organizations on time. The volume of construction and installing work for the year grew by almost 50 percent, and output per worker increased by 34 percent.

The Shatlykgazstroy collective built the Kalamkas terminal pump station with a substantial reduction of time. It spent 9 months on it instead of the standard 16 months. The station was turned over for operation with an "excellent" evaluation. An analysis of organization of the production process and of progress of the work once again confirmed the advantages of the outfitted-module method of construction, which had been recommended for Buzachi by the ministry's engineering council. The pump station was built by the expeditionary rotating-personnel method. The construction participants strictly observed the schedule, which had been coordinated



with Sredazneftegazmontazh installers, and they worked in close interdependence with the operators of Glavtransneft' [Main Administration for Oil Pipeline Transport] of Minnefteprom [Ministry of Petroleum Industry].

Success also accompanied the Sredazneftegazstroy builders, who, under the most difficult conditions, laid the 277-km Kalamkas-Shevchenko trunk oil pipeline ahead of time. For example, they built the Kalamkas-Karazhanbas section in 5 months instead of the 7 months specified in the standards.

Originally it had been planned to concentrate five integrated technological flow-line groups at this construction project, but during the work process we were convinced that a better option was three flow-line groups. This was an optimal organizational solution. It enabled the technological process to be arranged with precision, and unnecessary commotion and hubbub to be avoided. Hundreds of thousands of rubles of state funds were saved.

Engineering preparations on the route ahead of time also permitted the construction time to be reduced. Specialized brigades that went ahead of the insulating and pipelaying column overcame natural and manmade obstacles, and there were many of them (the pipeline crosses more than 80 ravines that are 200-300 meters wide, and roads). Experience previously gained by the industry in cleaning the inside of the pipeline, in testing individual sections, and in expelling water with oil was used during erection of the trunk pipeline. In integrated fashion and practically simultaneously, the builders were able to test the pipeline, to fill it with oil, and to displace or impel the water forward for testing of the next sections of the pipeline.

A detailed analysis of the work done and the organizational measures employed that aided introduction of the facilities ahead of schedule helped in getting a deeper understanding of today's problems and in discovering the causes of miscalculations and the lack of coordination which are still encountered at construction projects.

During the 11th Five-Year Plan a large amount of work will be done in West Kazakhstan on deep exploratory and developmental drilling. The builders will always go along with the drillers, and already the feasibility study for the integrated building of the first phase of the facilities for the Zhanazhol oilfield has been prepared, work is being done on the buildup of facilities for the Tengiz oilfield, and documentation is being readied for the Karachaganak gas-condensate field. I will note that corrosion-resistant equipment is required when recovering fuel at these places. Accordingly, transporting of the oil has been made complicated. Consequently, the builders face especially difficult tasks. And the amount of work is great. The erection of oil and gas recovering enterprises and of trunk pipelines over which not only oil and gas but also fresh water and seawater will be sent, and, finally, of gas refineries, construction-industry enterprises, rotating-personnel settlements, housing and other facilities for nonproduction purposes--all this has been changed to our ministry's subunits.

One of the most important problems of the integrated establishment and development of the oil-recovery base in this region is the delivery of fresh water for production and domestic needs. As research has indicated, there are no reliable sources of fresh water for the oil facilities of West Kazakhstan that are capable of covering the rising volume of water consumption. Yuzhgipronefteprovod [State Institute for the Design of Oil Pipelines in the Soviet Economic Region] and KazNIPIneft'



[Kazakh SSR Scientific-Research and Design Institute of the Oil Industry] have developed feasibility data on construction of the Volga-Mangyshlak pipeline. It will pass parallel to the existing Uzen'-Kuybyshev oil pipeline. This will allow the water pipeline to be built and operated at least expense. This work, of course, will require detailed, comprehensive preparation, and we should undertake it right now.

We have all the grounds for counting on the prescheduled introduction of the facilities intended for turnover during the 11th Five-Year Plan. "Tasks for the production of fuel and energy should be surpassed," Comrade Leonid Il'ich Brezhnev noted at the November 1981 CPSU Central Committee Plenum. These words were taken by the industry's builders and oil-recovery complex workers as a direct appeal to them, and, consequently, as guidance for action.

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